

Arab Republic of Egypt
July 1, 1974--

~~XIII~~

X

(2)

DOCUMENT WITHDRAWAL RECORD [NIXON PROJECT]

DOCUMENT NUMBER	DOCUMENT TYPE	SUBJECT/TITLE OR CORRESPONDENTS	DATE	RESTRICTION
1A	report	Biography	n.d.	B
2	telegram	Amemb Cairo to Sec State	8/4/74	B
3	telegram	Sec State to Amemb Cairo	8/2/74	B
4	telegram	Sec State to Amemb Cairo	7/10/74	B

FILE GROUP TITLE	BOX NUMBER
NSC	640

FOLDER TITLE
(2)

RESTRICTION CODES

- A. Release would violate a Federal statute or Agency Policy.
- B. National security classified information.
- C. Pending or approved claim that release would violate an individual's rights.
- D. Release would constitute a clearly unwarranted invasion of privacy or a libel of a living person.

- E. Release would disclose trade secrets or confidential commercial or financial information.
- F. Release would disclose investigatory information compiled for law enforcement purposes.
- G. Withdrawn and return private and personal material.
- H. Withdrawn and returned non-historical material.

2820

THE WHITE HOUSE
WASHINGTON

July 24, 1974

MEMORANDUM FOR
THE SECRETARY OF STATE

The President has reviewed and concurs in the recommendation of the Acting Secretary of State that the appointment of Said Ahmad Said Ghobash as Ambassador Extraordinary and Plenipotentiary of the United Arab Emirates to the United States would be agreeable to the Government of the United States. You are requested to so inform the Government of the United Arab Emirates.

Brent Scowcroft
Brent Scowcroft
Major General, USAF
Deputy Assistant to the President
for National Security Affairs

Dispatched 7/24/74 MAK

MEMORANDUM

NATIONAL SECURITY COUNCIL

2820

CONFIDENTIAL/GDS

ACTION

July 24, 1974

MEMORANDUM FOR: GENERAL SCOWCROFT
FROM: Jeanne W. Davis
SUBJECT: Agreement for New UAE Ambassador
to the U. S.

State has requested agreement for the new UAE Ambassador (Tab B). Hal Saunders (Rosemary Niehuss for) concurs and we have prepared the usual memorandum for your signature (Tab A).

RECOMMENDATION:

That you sign the memorandum at Tab A.

Attachment

CONFIDENTIAL/GDS

S/S-7412374
2820

DEPARTMENT OF STATE
WASHINGTON

July 8, 1974


CONFIDENTIAL

Dear Mr. President:

The Government of the United Arab Emirates has inquired whether our Government agrees to the appointment of Said Ahmad Said Ghobash as the first Ambassador Extraordinary and Plenipotentiary of the United Arab Emirates to the United States. A biography of Ambassador Ghobash is enclosed. A thorough review of United States Government records reveals no grounds for objection.

I believe this appointment would be satisfactory. If you concur, I shall be pleased to inform the Government of the United Arab Emirates.

Respectfully,


Joseph J. Sisco
Acting Secretary

Enclosure:

Biography.

The President,
The White House.

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NIXON PRESIDENTIAL MATERIALS PROJECT
DOCUMENT CONTROL RECORD

ITEM REMOVED FROM THIS FILE FOLDER

A RESTRICTED DOCUMENT OR CASE FILE HAS BEEN REMOVED FROM
THIS FILE FOLDER. FOR A DESCRIPTION OF THE ITEM REMOVED
AND THE REASON FOR ITS REMOVAL, CONSULT DOCUMENT ENTRY
NUMBER 1A ON EITHER THE DOCUMENT WITHDRAWAL RECORD
(GSA FORM 7279 OR NA FORM 1421) OR NARA WITHDRAWAL SHEET
(GSA FORM 7122) LOCATED IN THE FRONT OF THIS FILE FOLDER.

MEMORANDUM

NATIONAL SECURITY COUNCIL

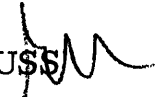
CONFIDENTIAL

July 24, 1974

MEMORANDUM FOR

MRS. DAVIS

FROM:

ROSEMARY NIEHUSSE 

SUBJECT:

Agreement for New UAE Ambassador
to the US

We have just placed our first US ambassador in the UAE and that Gulf state is now anxious to have its ambassador installed here. We do not know too much about him but believe it is in our interests to go ahead with this Agreement. Hank concurs.

RECOMMENDATION: That you seek signature of the Agreement for Ambassador-Designate Ghobash, at Tab A.

CONFIDENTIAL

NSC CORRESPONDENCE PROFILE

DOC		RECD		LOG NBR		INITIAL ACTION OF	
MO	DA	MO	DA	HR			
7	8	7	8	19	7402820		Saunders

SOURCE/CLASS/DESCRIPTION	TO: PRES _____	FROM: <u>SISCO, J</u>	REFERENCE: <u>7412374</u>	CIRCLE AS APPROPRIATE		
	KISSINGER _____	COLBY, W _____	S/S _____	UNCLAS	LOG IN/OUT	
	SCOWCROFT <u>X</u>	SCHLESINGER, J _____	OTHER _____	LOU	NO FORN	NODIS
	DAVIS _____	ST EX SEC _____		<u>S</u>	EYES ONLY	EXDIS
				TS	CODEWORD	
SUBJECT: <u>Agreement for Saif al Ghabash as new</u> <u>amb of UAE to US</u>						

DISTRIBUTION/INITIAL ACTION ASGMT	INTERNAL ROUTING AND DISTRIBUTION			REC CY FOR	ACTION REQUIRED	
	ADVANCE CYS TO HAK/SCOWCROFT	ACTION	INFO			MEMO FOR HAK <u>S'croft</u> <u>X</u>
	STAFF SECRETARY		<u>X</u>			MEMO FOR PRES _____
	FAR EAST					REPLY FOR _____
	SUB-SAHARAN AFRICA					APPROPRIATE ACTION _____
	MID EAST / NO. AFRICA / SO. ASIA	<u>X</u>	<u>X</u>			MEMO _____ TO _____
	EUROPE / CANADA					RECOMMENDATIONS _____
	LATIN AMERICA					JOINT MEMO _____
	UNITED NATIONS					REFER TO _____ FOR: _____
	ECONOMIC					ANY ACTION NECESSARY? _____
	SCIENTIFIC					CONCURRENCE _____
	PROGRAM ANALYSIS					DUE DATE: <u>7/20</u>
	NSC PLANNING					COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
	CONGRESSIONAL					
	OCEANS POLICY					
<u>5 KANCKE</u>						
<u>CENTRAL FILES (IN + OUT)</u>						

SUBSEQUENT ROUTING/ACTIONS	DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
	7/24	Saunders	Davis		Get signature on Agreement.	
	7/24	10	S'croft	<u>X</u>	Rosemary Sign Memo to HAK ASAP	
	7/24	"	"	<u>C</u>	Scowcroft get agreement	
<u>(DATE)</u> <u>KISSINGER (STATE)</u> <u>Key PROTOCOL</u>						

NSC/S DISP INSTR	DISPATCH <u>DONE HAK 7/24/74</u>	MICROFILM & FILE <u>JUL 26 1974</u> CRT ID: <u>SA</u> SF OPEN <u>key</u> HP NS CLOSE <u>key</u> WH EP <u>orig</u> PA DY
	CY RQMTS: SEE ABOVE PLUS:	
	NOTIFY _____ & DATE _____ BY _____	
	SPECIAL DISPOSITION:	
	CROSS REF W/ _____	
SUSPENSE CY ATTACHED: <u>X</u>	FOLDER: _____	

NSC CORRESPONDENCE PROFILE

DOC RECD
MO DA MO DA HR
7/10/74 7/10/74 7402889

INITIAL ACTION O

SOURCE/CLASS/DESCRIPTION

TO: PRES FROM: KISSINGER, H
KISSINGER COLBY, W
SCOWCROFT X SCHLESINGER, J
DAVIS ST EX SEC X

REFERENCE:

S/S 7412015
OTHER
CIRCLE AS APPROPRIATE
UNCLAS LOG IN/OUT
LOU NO FORN NODIS
EYES ONLY EXDIS
S CODEWORD
TS SENSITIVE

SUBJECT:

Modelitos for Gift of Helicopters to
Pres Sadat of Egypt

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION			REC CY FOR	ACTION REQUIRED
	ACTION	INFO		
ADVANCE CYS TO HAK/SCOWCROFT		X		MEMO FOR HAK Script X
STAFF SECRETARY				MEMO FOR PRES
FAR EAST				REPLY FOR
SUB-SAHARAN AFRICA				APPROPRIATE ACTION
MID EAST / NO. AFRICA / SO. ASIA		X	X	MEMO TO
EUROPE / CANADA				RECOMMENDATIONS
LATIN AMERICA				JOINT MEMO
UNITED NATIONS				REFER TO FOR:
ECONOMIC				ANY ACTION NECESSARY?
SCIENTIFIC				CONCURRENCE
PROGRAM ANALYSIS				DUE DATE: 7/14
NSC PLANNING	X		X	COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
CONGRESSIONAL		X		
OCEANS POLICY				
INTELLIGENCE				

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
7/13		Scroft	X	Decision - 7-22	
7/18		NSC/IS	C	Kennedy for Scroft sgd memo to Spingsteen	

NSC/S DISP INSTR

DISPATCH ✓ MHR
CY RQMTS: SEE ABOVE PLUS: OMB, AID
NOTIFY & DATE BY
SPECIAL DISPOSITION:
CROSS REF W/
SUSPENSE CY ATTACHED: FOLDER:

MICROFILM & FILE RQMTS:

JUL 22 1974
CRT ID: SA SF
OPEN HP
CLOSE PA DY

2889

THE WHITE HOUSE
WASHINGTON

CONFIDENTIAL

July 18, 1974

MEMORANDUM FOR

GEORGE S. SPRINGSTEEN
EXECUTIVE SECRETARY
DEPARTMENT OF STATE

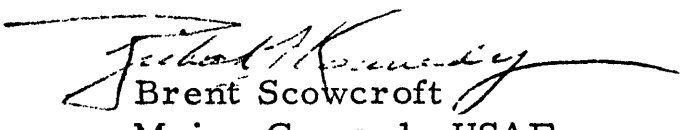
SUBJECT: Provision of Helicopter to the Government
of Egypt

After a review of your memoranda of July 10 and July 11, 1974, it has been decided that appropriate Congressional consultations should be undertaken to convey the reasoning behind the transfer of the helicopter and the type of financing to be used.

Contingent upon appropriate determinations by the Secretary of State that the statutory requirements for this assistance have been met, the recommended use of the Contingency Fund is approved. Title to the helicopter should be transferred as soon as possible.

To provide for the appropriate level of maintenance and safety, approximately \$3.0 million should be made available for the helicopter, crew training, spare parts, ground support equipment, and other equipment and services deemed most advisable by the U.S. Navy. Funds for these requirements should be made available as required to meet necessary training, maintenance and inspection schedules.

In Congressional consultations, it should be emphasized that the transfer of the helicopter is consistent with our aid and diplomatic objectives in Egypt and the Middle East generally.


Brent Scowcroft

Major General, USAF
Deputy Assistant to the President
for National Security Affairs

cc: Director, OMB
Administrator, AID

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DISPATCHED 7/18/74 LK

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MEMORANDUM FOR

GEORGE S. SPRINGSTEEN
EXECUTIVE SECRETARY
DEPARTMENT OF STATE

SUBJECT: Provision of Helicopter to the Government
of Egypt

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In Congressional consultations, it should be emphasized that the transfer of the helicopter is consistent with our aid and diplomatic objectives in Egypt and the Middle East generally.

Brent Scowcroft
Major General, USAF
Deputy Assistant to the President
for National Security Affairs

cc: Director, OMB
Administrator, AID

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Rewrtn: RTK:lds:7/18/74

MEMORANDUM

2889
(Redo)

NATIONAL SECURITY COUNCIL

CONFIDENTIAL - GDS

ACTION

July 17, 1974

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: RICHARD T. KENNEDY
SUBJECT: Helicopter for President Sadat

George Springsteen has asked your approval of a series of steps leading to the transfer of a helicopter to the Government of Egypt for President Sadat's use (Tab B). In response to your request, Mr. Springsteen provided back-up information on possible alternative funding sources and sizes for the package (Tab C).

State originally proposed to approach selected members of Congress to gain support for the use of either AID Contingency Fund or Security Supporting Assistance, in that order of priority, for a \$1.7 million package of the helicopter and spares now in Egypt plus some training for an Egyptian crew.

DOD believes that a larger package -- totalling \$5 million -- is needed in order to provide the extra spare parts necessary to ensure maintenance of the helicopter for a full year.

In the past, aid to Egypt required Determinations by the President to waive restrictions in the Foreign Assistance Act but in this case the Secretary of State is legally empowered to waive applicable restrictions.

On July 11, Administrator Parker met with Senator Inouye to discuss funding possibilities for the gift of the helicopter (memo at Tab D). After considerable questioning, Senator Inouye agreed that AID funds were the only ones available. Because Senator Inouye's strong opposition to the transaction raised the likelihood that he would hold a Subcommittee hearing on any proposal to use Supporting Assistance funds for the gift, (as was done in the case of the Vietnam Development loan a year ago) Mr. Parker stated that AID planned to use Contingency Funds.

While there is no legal prior notification requirement for the Contingency Fund which could be used to trigger a hearing, I would not be surprised

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- 2 -

to see Senator Inouye call one anyway since this money is intended primarily for disaster relief. Moreover, there remains the possibility that Congress will insist we reimburse the Contingency Fund as it did with the ICCS diversions last year.

As a result of the Inouye/Parker meeting we appear to be committed to using the Contingency Fund. Congressional intent requires that half of the money available each quarter be retained for disaster uses. Thus, \$1.7 million would be available for the helicopter. While this would cover the State recommendation, I believe this package is too small. On the other hand, the Defense package is excessive. The July 11 memo from Mr. Springsteen asserts there is no middle ground, but I am satisfied that \$3 million is reasonable and more appropriate. The additional \$1.3 million could be diverted from the Contingency Fund in the second quarter. A figure of this size is unlikely to provoke much more criticism in Congress than \$1.7 million but it will go a long way toward averting criticism in Egypt. It would provide additional airframe, avionics and engine spares, increased ground support and test equipment and training to supplement the basic State package of the helicopter, spares and support equipment and training. With DOD advice, AID can set up the priorities and scheduling for spare parts, ground support equipment and other materiel and services which are desirable.

The memo to Mr. Springsteen at Tab A would convey the foregoing views and how to proceed.

RECOMMENDATION

That you sign the memo at Tab A.

_____ Approve

_____ Disapprove

Mr. Saunders concurs.

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

JUL 15 1974

CONFIDENTIAL

MEMORANDUM FOR: Col. Richard T. Kennedy
National Security Council

SUBJECT : Parker Conversation with Inouye on
Sadat Helicopter Gift

Dan Parker met with Senator Inouye, Chairman of the Foreign Operations Subcommittee on the Senate Appropriations Committee on the afternoon of Thursday, July 11, to discuss funding possibilities for the gift of the helicopter to President Sadat.

Mr. Parker reviewed the State/AID analysis of various funding options and indicated that AID appropriations were the only ones which could accommodate the gift within budget request levels. He stated that State/AID could not recommend seeking a budget amendment and legislation for the gift since we could not tolerate the adverse diplomatic consequences of possible Congressional repudiation of the gift.

Senator Inouye opposed the use of AID funds and exhaustively questioned Mr. Parker about other alternatives before reluctantly agreeing that AID funds were the only ones available.

Mr. Parker indicated that we were aware of the Congressional mandate to use Contingency Funds primarily for disaster relief and that we would consider the possibility of a transfer into the Contingency Fund, if later in fiscal 1975, disaster relief requirements suggested that step.

Because Senator Inouye's opposition to the transaction raised the realistic likelihood that he would hold a Subcommittee hearing on any proposal to use Supporting Assistance funds for the gift, (as was done in the case of the Vietnam Development loan a year ago) Mr. Parker stated that AID planned to use Contingency Funds. There is no legal prior notification requirement for the Contingency Fund which could be used to trigger the hearing.

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GDS

- 2 -

Mr. Parker indicated that, while we had not been informed of the President's intentions as to the size of the gift, State/AID were recommending that it be in the range of \$1.7 million and that figure was used as the basis for discussion. AID recommends strongly against a larger gift package. If a larger package is decided upon, we should delay funding of the remainder until after Middle East assistance legislation is obtained. If that is not possible, Mr. Parker believes that we will have to use SA, and face the possibility of a hearing, because he must administratively retain at least half of the first quarter availabilities for disaster uses.

(N.B. While the Continuing Resolution does not legally limit availabilities in the first quarter to one quarter of the annual rate, the legislative history states the Congressional intent that the quarter rate be exceeded only with advance notification and in cases of extreme importance or dire emergencies. Availabilities in the Contingency Fund applying a quarter-rate formula are \$3.75 million.)

Arthur ~~A~~ Gardiner, Jr.
General Counsel

cc: NEA/Alfred Atherton
T/Carlyle Maw
PM/George S. Vest
M/FSI/SSFP, H. Freeman Matthews
PM/SAS, Donald Niemi

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DEPARTMENT OF STATE

Washington, D.C. 20520

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S/S-7412676

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July 11, 1974

MEMORANDUM FOR MAJOR GENERAL BRENT SCOWCROFT
THE WHITE HOUSE

SUBJECT: Gift of Helicopter to President Sadat

In response to your request for additional information on the available options for implementing the helicopter gift, I am sending you copies of two memorandums which explore in detail the issues of the size of the gift and possible funding sources.

The attached Department of Navy Memorandum of 26 June 1974 was used as the source of data for the \$1.7 million and \$5.1 million gift package alternatives. The lower option includes the helicopter (item 1, at the amortized value of \$560,000), the pack-up kit (item 2a), and \$100,000 for training (items 7 and 8, for which we have allowed \$100,000 because the Navy estimate of \$50,500 excludes travel and per diem costs). The \$5.1 million option includes items 1 through 11. We have asked Navy about a possible in-between option, but have been told that an intermediate position is not feasible. We have accepted the Navy's judgment in this matter, lacking the technical expertise to develop independent cost estimates, and it would appear that we have only a high or a low option.

The July 5 information memorandum for the AID Administrator, also attached, reviews the various funding options which have been examined; the section on AID funding includes the pros and cons which you requested on use of the AID Contingency Fund and the Security Supporting Assistance account.

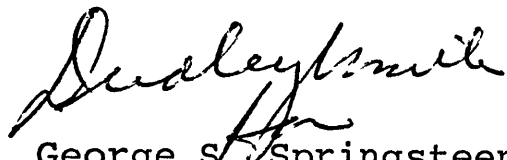
We believe that the proposed \$1,715,000 gift package, funded by AID but with the choice of the Contingency Fund or the Security Supporting Assistance account to be

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-2-

determined by the AID Administrator after consultations on the Hill, represents the best course of action among the alternatives available to us.


George S. Springsteen
Executive Secretary

Attachments:

1. Navy Memorandum dated June 26, 1974
2. Information Memorandum dated July 5, 1974

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DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, D.C. 20350

CONFIDENTIAL

IN REPLY REFER TO
Ser 632E1/C4505

23 JUN 1976

CONFIDENTIAL

MEMORANDUM FOR THE DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY

Subj: Transfer of Helicopter to Egypt (U)

1. (C) Based on discussions within the Navy staff, the Naval Air Systems Command, and LCOL Boyer of the White House Flight Detachment the following program is suggested for the "gift" helicopter:

<u>Item</u>	<u>Cost</u>	<u>Remarks</u>
1. VH-3A	--	Amortized value: \$560K Acquisition cost: \$1,600K Replacement cost: \$3,246K
2.a. Pack-up Kit of Spares, Support Equipment, and Special Tools	\$1,055K	This line includes all material left in Egypt with the helo, including two engines.

Additional support requirements which require funding through FY-75 and the first two quarters of FY-76:		
b. Additional Airframe and Avionics Spares	\$1,485K	To complete spares requirements for one year of operations, based on 250-300 flight hours per year.
✓ c. Engine spare/repair parts and consumables	\$ 145.6K	
3. Spare Engines (2)	\$ 300K	Completely built-up engines, provision of this depth of spare engines obviates need for test stand at cost of \$600K
4. Ground Support Equipment	\$ 398.8K	To provide augmented "O" level for avionics, "I" level for airframe and engines.

CLASSIFIED BY 220 (0263)

CONFIDENTIAL

SUBJ TO G.D.S. OF E.O. 11652
AUTOMATICALLY DOWNGRADED
AT TWO-YR INTERVALS
DECLAS ON 31 DEC 1980

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Ser 632E1/C4505

26 JUN 1974

5.a. Non-folding Rotary Head and Blades \$ 284K

1 RFI head available,
1 must be procured,
1 five blade set and
2 spare blades

b. Contractor installation of new head in Egypt \$ 10K

This an inclusive "verbal quote" from Sikorsky

6. Contractor Engineering and Technical Services (CETS) \$ 435K

This points toward program similar to that established for U.S.G. White House Flight Detachment

7. Contractor Training \$ 27K

Provides a "Difference" course for five qualified english speaking engineers in airframe related areas, with an introduction to the avionics--no avionics repair, and second level maintenance training on the engine for 2 weeks. (Cost to accomplish same effort in-country \$65K-minimum)

8. Pilot Transition \$ 23.5K

For ground school and fifteen VH-3A hours each for two pilots in CONUS.

9. Publications and Documentation \$ 25K

This does not include the detailed drawings necessary for Depot level maintenance

10. USN Provisioning, mini-Site Survey, Travel and per diem associated with this program \$ 125K

11. Program contingency and administration \$ 198K

TOTAL FOR IN-COUNTRY AND REQUIRED SUPPORT PACKAGE: \$4,511.8K

2. (C) The Navy is faced with three options in establishing the "sale price" of the helicopter. It would prefer to receive

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Ser 632E1/C4505
26 JUN 1974

the replacement cost of \$3,246K (for 1 VH-3D); the second option is recoupment of the acquisition cost of the original aircraft, \$1,600K. If directed by DSAA, the price of the aircraft can be amortized, based on a 20 year life, to a value of only \$560K. If so directed, this would be the sale price for an inter-agency transfer of the gift VH-3A to A.I.D.

3. (C) The following table represents the funding requirements by FY quarter for the program:

	FY-75				FY-76	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>
a. Support:						
In-country:	\$500 K	\$500K	\$ 55K			
Required:	<u>929.5K</u>	<u>400K</u>	<u>750K</u>	<u>\$600K</u>	<u>\$500K</u>	<u>\$277.3K</u>
Support Total:	\$1429.5K	\$900K	\$805K	\$600K	\$500K	\$277.3K
b. Aircraft:						
Replacement:	\$324.6K	\$649.2K	\$973.8K	\$486.9K	\$486.9K	\$324.6K
Acquisition:	\$400K	\$400K	\$400K	\$400K	\$400K	
Amortized:	--	\$160K	\$160K	\$160K	\$160K	

(dependant upon price authorized, value should be added to SUPPORT TOTAL)

c. Should DSAA direct that the helicopter be sold at its amortized value, the funding requirements by quarter would be:

	FY-75				FY-76	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>
Program:	\$1,429.5K	\$1,060K	\$965K	\$760K	\$660K	\$277.3K
Total:	\$5,071.8K					

4. (C) The Navy and White House Flight Detachment personnel who were in Egypt when the helicopter was presented to President Sadat, are preparing an informal proposal for presentation to the Government of Egypt. This proposal will point toward the establishment in Egypt of a Presidential Flight Detachment similar to that used by the USG. The support package for the VH-3A, with its heavy contractor involvement, is already tailored to this concept. Conversation with LCOL Boyer indicates that the GOE will not be satisfied with just one aircraft--whether we are asked to provide additional aircraft, or whether expansion of the program will be along strictly commercial lines is open to conjecture. It is recommended that a small team be introduced

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Ser 632E1/C4505

23 JUN 1974

into Egypt to explain the proposed program and the options open to the GOE, (recommended personnel: LCOL Boyer, Mr. T. Monahan -- NAVAIR Program Manager, Mr. R. Moomey -- NAVMAT, one logistics/facilities expert, CNO and OSD representation as appropriate, Sikorsky representatives). It is recommended that this team make its presentation in the near term to ensure successful program implementation and preclude misunderstandings.

5. (C) Sikorsky is investigating the feasibility of adapting the particle separator now installed on Westland S-61 helicopters to VH-3A use. The latest information indicates that a particle separator will be needed if engine wear due to Egyptian sand is to be minimized.

U. R. Boyer
J.D. Bailey
J.D. BAILEY
Deputy Director
Security Assistance Division

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

July 5, 1974

CONFIDENTIAL

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

FROM: AA/SA, Robert H. Nooter

SUBJECT: Helicopter-Funding Options

The purpose of this memorandum is to inform you of the variety of options we have explored with respect to the funding of the gift of the helicopter to President Sadat with our conclusions as to the viability of each. The options assume a total gift package of approximately \$1.7 million. A higher figure would cause greater difficulty.

1. DOD Funding

a. Military Assistance Program. Use of military assistance funds requires, in advance, a determination by the President that military assistance to Egypt will strengthen the security of the United States and promote world peace. (FAA Sec. 503(a)). Military assistance funds can only be used to furnish equipment which is intended to be used for military purposes. (FAA Sec. 644(d)). The Secretary of State has stated publicly and repeatedly that the Administration has no intention of providing military assistance to Egypt and State is concerned about the domestic and international repercussions of a Presidential finding that Egypt is eligible for MAP. Moreover, since the helicopter is not intended to be used for military purposes, use of MAP would be of dubious legality in any event.

b. Secretary of Defense Contingency Fund. The Defense Department Appropriation Act includes a \$5 million item "for emergencies and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense. . ." Availabilities

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in fiscal year 1975 under the Continuing Resolution are \$2.5 million; budget request is \$5 million.

That fund was used in former administrations for allegedly non-military expenditures and, as a result, was cut from \$15 to \$5 million.

DOD questions whether payment for the helicopter could be construed as an emergency arising in the Department of Defense or as a confidential military purpose.

The Department of State is seriously concerned with political problems associated with using any DOD funds in Egypt. Obligations from the fund must be reported to the appropriate Congressional Committees. No prior approval is required.

2. CIA Funding

The CIA has funds available authorized to be used for a broad variety of purposes. They uniformly have been used for covert operations. We assume that use of such funds for this prominent public transaction is not appropriate. The State Department believes use of CIA funds would have serious adverse diplomatic consequences in Egypt.

3. State Department Funding

The State Department has available to it appropriations for Emergencies in the Diplomatic and Consular Services. This fund has been used, in the past, for token gifts (\$25-\$50) to foreign dignitaries. The great proportion of the fund is used for other purposes (repatriation loans for U.S. citizens and emergency evacuations). Availabilities in the fund under the Continuing Resolution are on the order of \$2 million. Were the fund to be used for financing the helicopter, affirmative Congressional action would be required, at least in the appropriations process, to provide enough money to fund the gift while at the same time continuing other programs for which it was primarily designed.

It can be argued that this gift fund is the one intended to be used for gifts to foreign dignitaries such as the helicopter. The principal disadvantage of using the fund

CONFIDENTIAL

- 3 -

is the necessity of obtaining affirmative Congressional action to increase the amount appropriated for it. Furthermore, in order to obtain an increase, it would probably be appropriate to delay the effective date of the gift until Congressional action is obtained.

4. White House Funding

We have been informed by NSC that no Presidential contingency fund is available for this purpose.

5. A.I.D. Funds

a. Supporting Assistance. The helicopter grant can be funded under section 531 of the Foreign Assistance Act of 1961, as amended (FAA) as assistance to a friendly country "to support or promote economic or political stability" with waivers of relevant FAA prohibitions by the Secretary of State comparable to those obtained to initiate other assistance activities in Egypt last spring.

However, use of these funds requires prior notification to the Congressional Appropriations Committees. Senator Inouye, the Chairman of the Senate Appropriations Subcommittee on Foreign Operations, has already indicated his displeasure with the Administration's failure to consult the Congress before the gift was made. Furthermore, Senator Inouye has objected to the initiation of new "operations" under the Continuing Resolution authority except for operations under the Contingency Fund.

The pros and cons of this option are as follows:

- Pro: (a) The legislative authority is sufficiently broad to encompass funding of the helicopter.
- Cons: (a) An adverse Appropriations Committee vote on the use of these funds for the helicopter could place us in a very embarrassing position, and could raise serious Congressional relations problems regarding the Committees' ability to block any particular use of funds, which has been avoided until now.

CONFIDENTIAL

- (b) Senator Inouye's "new operations" restriction is potentially a very serious limitation on A.I.D.'s ability to do business under a CR. The helicopter gift is not an advantageous transaction with which to get a precedent as to the scope of the restriction.
- (c) Congressional irritation regarding failure to consult could lead to substantial cuts in the overall Supporting Assistance budget.
- (d) While the amount is relatively small in proportion to the total required, the Egyptian Government might feel that funding the helicopter from the Supporting Assistance account effectively reduces the \$250 million economic aid request for Egypt by that amount.

b. Contingency Fund. The A.I.D. Contingency Fund of \$15 million (or \$3.75 million on a quarterly basis under the CR) is another possible source of financing. While the language of the law is quite broad, in the last several years the Congress has made known that it is the intention that these funds should be used mainly for meeting needs caused by natural disasters. Congressional notification prior to use is not required, but Congress must be advised after the fact.

The pros and cons of this option are:

- Pro: (a) This option is legally broad enough to encompass financing of the helicopter.
- Cons: (a) Financing of this kind in the face of clear Congressional intent that the Fund be used for natural disasters could lead to elimination of Contingency Funds in the FY 1975 appropriation process.
- (b) An alternative Congressional reaction might be to limit use of Contingency Funds to natural disasters only, through legislation, thereby removing most of the flexibility now permissible under this funding category.

CONFIDENTIAL

- (c) Use of Contingency Funds for this purpose would increase Congressional apprehension about approving the \$100 million Special Requirements Fund.

6. Delay Funding Choice for Several Months

One possibility would be to put off making a decision regarding the source of funds until later in the year, possibly after Congressional action on the Foreign Assistance Act. This could be done either by returning the helicopter to the U.S. for maintenance and an overhaul although this would add perhaps as much as \$1 million to the eventual cost. It could also be done simply by keeping the helicopter in place but without passing legal title to the Government of Egypt until a later date.

The pros and cons of this option are:

- Pro: (a) A delay would avoid associating any particular funding category with the helicopter until after Congressional action had been taken.
- Cons: (a) Congress is already well aware of the gift, and has requested a GAO investigation of the source of funds. A delay might become increasingly embarrassing over time if Congress continues to press as to source of funds in the continuing hearings on the SA appropriation.
- (b) This could become embarrassing with the Egyptian Government since this would lead to a delay in training of the Egyptian pilots and failure to tidy up the transaction by making the official transfer of title.
- (c) Congressional action on the FAA could conceivably be delayed for many months, making this option increasingly untenable.
- (d) An overhaul of the helicopter would considerably increase the financing costs.

CONFIDENTIAL

- 6 -

7. Funding in Tranches

Immediate budgetary consequences on the selected account might be reduced were the gift to be funded in tranches. However, on the assumption the low-option gift is chosen, there appears no feasible way to split the gift in a way which would permit deferral of any substantial portion of the obligation. \$1.6 million of the value represents the amortized cost of the helicopter and spare parts and tools left in Egypt. The training component represents only \$100,000 of the cost.

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DEPARTMENT OF STATE

Washington, D.C. 20520

July 10, 1974

2889

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CONFIDENTIAL

MEMORANDUM FOR MAJOR GENERAL BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Gift of Helicopter to President Sadat

We have carefully reviewed the options available for implementing the gift of a helicopter to the Government of Egypt for use by President Sadat and propose to follow the procedures described in this memorandum.

Size of the Gift

We recommend a gift package totaling \$1,715,000 which would include:

- the Sikorsky VH3A helicopter left behind in Egypt (amortized value: \$560,000);
- the "pack-up kit" of spares, support equipment, and special tools also left behind in Egypt (cost: \$1,055,000); and
- essential training for pilots and mechanics (cost: \$100,000).

An alternative would be to provide additional spares, support equipment, and training to assist the Egyptians to operate and maintain the aircraft for a specified period. However, such additional items would add greatly to the cost of the package. Navy has estimated, for example, that it would cost an additional \$3,356,000 (bringing the total gift package to \$5,071,000) to provide the items required to permit the Egyptians to operate the aircraft for a minimum period of one year.

CONFIDENTIAL

GDS

CONFIDENTIAL

-2-

The Egyptians themselves will ultimately have to pay for operating and maintaining the gift helicopter, and we believe they should be prepared to assume this responsibility now rather than later. The \$1,715,000 package would provide for a generous gift and would be significantly easier to justify on the Hill than a costlier package.

Funding Source

We propose to use AID funding for the helicopter gift. The Administrator and/or his deputies would consult with key members of Congress on the funding arrangements, proposing in the first instance to use the AID Contingency Fund, but prepared to use the Security Assistance account if that appears preferable from a Congressional relations standpoint. AID would endeavor to keep open its options with regard to possible reimbursement at a later date to the account used now for the helicopter gift.

Whichever funding source is used, we believe it is important that the Egyptians perceive the helicopter gift as an addition to the aid we have previously requested from the Congress for Egypt under the Security Supporting Assistance program. It would be unfortunate were it to appear that the helicopter gift was being financed out of funds already programmed for Egypt.

Legal Considerations

The grant of the helicopter to the Government of Egypt, when consummated, will constitute assistance to Egypt within the meaning of the Foreign Assistance Act (FAA). In order for Egypt to be eligible for such assistance, it will be necessary to waive prohibitions in the FAA against assistance to countries against which there are claims by the United States Government or its citizens, as well as a specific prohibition against assistance to Egypt. These prohibitions (FAA section 620(c), (e), (p), and (q)) can all be waived by the Secretary of State under authority delegated to him by Executive Order 10973, as amended.

CONFIDENTIAL

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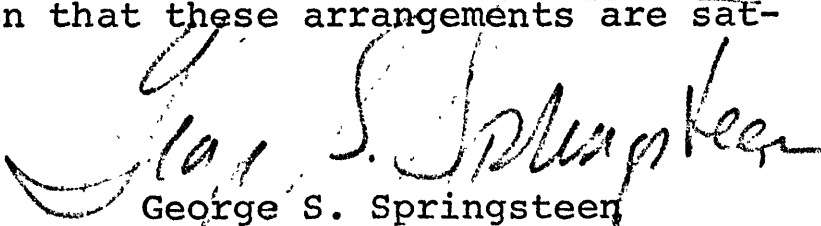
The helicopter grant is authorized by section 531 of the FAA, the Security Supporting Assistance authority, under which the President can furnish assistance to eligible friendly countries "to support or promote economic or political stability." The gift was made in support of the President's diplomatic initiatives in the Middle East, in which the Government of Egypt and President Sadat are playing a significant role. The gift of the helicopter promotes the objective of achieving political stability throughout the region by helping to consolidate the new cordial relationships between the Government of the United States and the Government of Egypt.

The helicopter is now in the Navy's possession. Acquisition of the helicopter by AID from the Navy for the purpose of making a Security Supporting Assistance grant is authorized by section 632(b) of the FAA, with the reimbursement determined in accordance with the provisions of section 632(c).

Funds for the helicopter grant can be derived from the Security Supporting Assistance account itself, or alternatively, the AID Contingency Fund. The AID Contingency Fund, provided for in section 451 of the FAA, is a separate appropriation to provide economic assistance authorized by the FAA, including Security Supporting Assistance for unforeseen needs. While the Contingency Fund is intended to be used primarily for disaster relief, it may be used for other purposes where the requirement is urgent and unforeseen.

Conclusion

We will take the necessary actions to implement the transfer of the helicopter gift package in accordance with the procedures outlined above upon receipt of your notification that these arrangements are satisfactory. //


George S. Springsteen
Executive Secretary

CONFIDENTIAL

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PRECEDENCE

CONFIDENTIAL
CLASSIFICATION

FOR COMM CENTER USE ONLY

FROM: WHITE HOUSE SITUATION ROOM
TO: MCFARLANE FOR
GENERAL SCOWCROFT

DEX _____

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74 JUL 17 PM 6:17

WHITE HOUSE
SITUATION ROOM

CONFIDENTIAL

MEMORANDUM FOR:

George S. Springsteen
Executive Secretary
Department of State

SUBJECT: Gift of Helicopter for President Sadat

After a review of your memoranda of both July 10 and July 11, it has been decided that consultations with Congress should be undertaken immediately to inform appropriate committee Chairmen as to the reasoning behind the transfer of the helicopter and the type of financing to be used. The recommended use of the Contingency Fund is approved. Title should be transferred as soon as possible.

In Congressional consultations, it should be emphasized that the transfer of the helicopter is consistent with our aid and diplomatic objectives in Egypt and the Middle East generally, and that the Contingency Fund is the most appropriate source of funding.

To provide for the appropriate level of maintenance and safety, approximately \$3.0 million should be made available for the helicopter, crew training, ground support equipment, and other equipment and services deemed most advisable by the U. S. Navy.

In order to comply with the requirement to retain for emergency use at least half of the quarterly Contingency Fund available, you should plan on utilizing \$1.7 million of the fund immediately and \$1.3 million in the second quarter of FY 1975.

Brent Scowcroft
Major General, U. S. Air Force
Deputy Assistant to the President
for National Security Affairs

CONFIDENTIAL - GDS

MEMORANDUM

2889

NATIONAL SECURITY COUNCIL

CONFIDENTIAL

July 13, 1974

MEMORANDUM FOR: GENERAL SCOWCROFT
FROM: RICHARD T. KENNEDY *RTK*
SUBJECT: Helicopter for President Sadat

George Springsteen has asked your approval of a series of steps leading to the transfer of a helicopter to the Government of Egypt for President Sadat's use (Tab B). In response to your request, Mr. Springsteen provided back-up information on possible alternative funding sources and sizes for the package (Tab C).

State proposes to approach selected members of Congress to gain support for the use of either AID Contingency Fund or Security Supporting Assistance, in that order of priority, for a \$1.7 million package of the helicopter and spares now in Egypt plus some training for an Egyptian Crew.

DOD believes that a larger package -- totalling \$5 million -- is needed in order to provide the extra spare parts necessary to ensure maintenance of the helicopter for a full year.

In the past, aid to Egypt required Determinations by the President to waive restrictions in the Foreign Assistance Act but in this case the Secretary of State is legally empowered to waive applicable restrictions.

I agree with State that AID should be the source of funds for this gift. The Contingency Fund is not a good prospect. Senator Inouye strongly believes that this fund should be used only for Disaster Relief and he may insist on restrictive legislation which bars our access to this fund for emergency purposes if we divert funds for the helicopter. State suggested the Contingency Fund only because it does want the helicopter to appear to the Egyptians to be a reduction in the aid we have promised them. However, as with the ICCS diversions from the Contingency Fund last year, it is likely that Congress will insist we reimburse the Fund. The alternative to funds earmarked for Egypt is not the Contingency Fund so much as the Mideast Special Project Fund we have requested in FY 75 Assistance.

CONFIDENTIAL

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2

Rather than add to our Congressional relations problems, and increase the difficulty of replying to the mounting public inquiries about this gift, I believe we should advise Congress that we are using Security Supporting Assistance. This would be most consistent with our argument that the gift is a logical extension of aid and diplomatic objectives in Egypt and the Mideast generally.

It would be a mistake to "consult" with Inouye and others seeking an expression of their preference as to funding source. If asked, they will only have to say they are flatly opposed to the transaction leaving us in an untenable position. Rather we should go to them and "inform" them of (a) the objectives served by the transaction, and (b) the funding method we have decided upon. If they object to the method we could "accept" their alternative or take the "brick-bats" which they will then hurl -- but the transaction will be completed and Congress will not have been put in the position of having to make a choice which the committee chairman does not want to make.

I also believe State has recommended too small a package. Although the Egyptian government will have to take over the maintenance of this helicopter at an early date, we should do whatever is necessary to assure maintenance and safety initially. DOD's recommendation of over \$5 million goes too far in this direction, however, just as the \$1.7 million recommended by State is insufficient. The July 11 memo asserts there is no middle ground, but I am satisfied that \$3 million is reasonable and much more appropriate. It would provide additional airframe, avionics and engine spares, increased ground support and test equipment and training to supplement the basic State package of the helicopter, spares and support equipment and training. AID will be able to fund this amount within the limited authority of the Continuing Resolution, and with DOD advice can set up priorities for spare parts, ground support equipment and other material and services which are desirable. A figure of this size is unlikely to provoke much more criticism in Congress than \$1.7 million but it will go a long way toward averting criticism in Egypt.

The memo to Mr. Springsteen at Tab A would convey the foregoing views and how to proceed.

RECOMMENDATION

That you sign the memo at Tab A.

_____ Approve

_____ Disapprove

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(1) Dex copy of Tab A to General *Volone KM*
Scowcroft in San Clemente

(2) Provide copies also to Hal Saunders
and Col Kennedy's EOB office

Lora S -- 7/18

THE WHITE HOUSE
WASHINGTON

2889
(Redo)

CONFIDENTIAL - GDS

July 17, 1974

Brent:

Attached is a revised package concerning the Sadat helicopter reflecting the contents of the memo sent me by the AID General Counsel. Tabs B and C of this memo are the same as Tabs B and C of the earlier memo on this same subject which you have. I therefore have not retransmitted them.

Saunders has not had the opportunity to read these, although he has had them with him. He indicates, however, that any solution which will get the helicopter transferred and turned over is satisfactory to him. I will continue to press for his views on this and the earlier memo but cannot guarantee any more complete reaction, simply because he is tied up with 26 other problems.


R. T. Kennedy

Attachment

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THE WHITE HOUSE
WASHINGTON

For — 2889

This case was
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FROM: THE SITUATION ROOM #3
TO: Bud McFarlane For
INFO: Gen. Scowcroft

RELEASED BY: EO

TOR: _____

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WHITE HOUSE
SITUATION ROOM
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MEMORANDUM

2889

NATIONAL SECURITY COUNCIL

CONFIDENTIAL

July 13, 1974

MEMORANDUM FOR: GENERAL SCOWCROFT
FROM: RICHARD T. KENNEDY 
SUBJECT: Helicopter for President Sadat

George Springsteen has asked your approval of a series of steps leading to the transfer of a helicopter to the Government of Egypt for President Sadat's use (Tab B). In response to your request, Mr. Springsteen provided back-up information on possible alternative funding sources and sizes for the package (Tab C).

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DOD believes that a larger package -- totalling \$5 million -- is needed in order to provide the extra spare parts necessary to ensure maintenance of the helicopter for a full year.

In the past, aid to Egypt required Determinations by the President to waive restrictions in the Foreign Assistance Act but in this case the Secretary of State is legally empowered to waive applicable restrictions.

I agree with State that AID should be the source of funds for this gift. The Contingency Fund is not a good prospect. Senator Inouye strongly believes that this fund should be used only for Disaster Relief and he may insist on restrictive legislation which bars our access to this fund for emergency purposes if we divert funds for the helicopter. State suggested the Contingency Fund only because it does want the helicopter to appear to the Egyptians to be a reduction in the aid we have promised them. However, as with the ICCS diversions from the Contingency Fund last year, it is likely that Congress will insist we reimburse the Fund. The alternative to funds earmarked for Egypt is not the Contingency Fund so much as the Mideast Special Project Fund we have requested in FY 75 Assistance.

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2

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It would be a mistake to "consult" with Inouye and others seeking an expression of their preference as to funding source. If asked, they will only have to say they are flatly opposed to the transaction leaving us in an untenable position. Rather we should go to them and "inform" them of (a) the objectives served by the transaction, and (b) the funding method we have decided upon. If they object to the method we could "accept" their alternative or take the "brick-bats" which they will then hurl -- but the transaction will be completed and Congress will not have been put in the position of having to make a choice which the committee chairman does not want to make.

I also believe State has recommended too small a package. Although the Egyptian government will have to take over the maintenance of this helicopter at an early date, we should do whatever is necessary to assure maintenance and safety initially. DOD's recommendation of over \$5 million goes too far in this direction, however, just as the \$1.7 million recommended by State is insufficient. The July 11 memo asserts there is no middle ground, but I am satisfied that \$3 million is reasonable and much more appropriate. It would provide additional airframe, avionics and engine spares, increased ground support and test equipment and training to supplement the basic State package of the helicopter, spares and support equipment and training. AID will be able to fund this amount within the limited authority of the Continuing Resolution, and with DOD advice can set up priorities for spare parts, ground support equipment and other material and services which are desirable. A figure of this size is unlikely to provoke much more criticism in Congress than \$1.7 million but it will go a long way toward averting criticism in Egypt.

The memo to Mr. Springsteen at Tab A would convey the foregoing views and how to proceed.

RECOMMENDATION

That you sign the memo at Tab A.

_____ Approve

_____ Disapprove

CONFIDENTIAL

A

MEMORANDUM

NATIONAL SECURITY COUNCIL

CONFIDENTIAL

July 13, 1974

MEMORANDUM FOR: GEORGE S. SPRINGSTEEN
FROM: BRENT SCOWCROFT
SUBJECT: Gift of Helicopter for President Sadat

After a review of your memoranda of both July 10 and July 11, it has been decided that consultations with Congress should be undertaken immediately to inform appropriate committee Chairmen as to the reasoning behind the transfer of the helicopter and the type of financing to be used. The objective should be to gain support for the action. Supporting Assistance should be used for the financing. Title should be transferred as soon as possible.

In Congressional consultations, it should be emphasized that the transfer of the helicopter is consistent with our aid and diplomatic objectives in Egypt and the Middle East generally, and that security supporting assistance funds are the most appropriate source of funding.

To provide for extended maintenance and safety which are appropriate, a sum of no less than \$3 million should be made available for the helicopter, crew training, ground support equipment, and other equipment and services deemed most advisable by the U.S. Navy.

CONFIDENTIAL

B



2889
7412615

DEPARTMENT OF STATE

Washington, D.C. 20520

July 10, 1974

CONFIDENTIAL

MEMORANDUM FOR MAJOR GENERAL BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Gift of Helicopter to President Sadat

We have carefully reviewed the options available for implementing the gift of a helicopter to the Government of Egypt for use by President Sadat and propose to follow the procedures described in this memorandum.

Size of the Gift

We recommend a gift package totaling \$1,715,000 which would include:

- the Sikorsky VH3A helicopter left behind in Egypt (amortized value: \$560,000);
- the "pack-up kit" of spares, support equipment, and special tools also left behind in Egypt (cost: \$1,055,000); and
- essential training for pilots and mechanics (cost: \$100,000).

An alternative would be to provide additional spares, support equipment, and training to assist the Egyptians to operate and maintain the aircraft for a specified period. However, such additional items would add greatly to the cost of the package. Navy has estimated, for example, that it would cost an additional \$3,356,000 (bringing the total gift package to \$5,071,000) to provide the items required to permit the Egyptians to operate the aircraft for a minimum period of one year.

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-2-

The Egyptians themselves will ultimately have to pay for operating and maintaining the gift helicopter, and we believe they should be prepared to assume this responsibility now rather than later. The \$1,715,000 package would provide for a generous gift and would be significantly easier to justify on the Hill than a costlier package.

Funding Source

We propose to use AID funding for the helicopter gift. The Administrator and/or his deputies would consult with key members of Congress on the funding arrangements, proposing in the first instance to use the AID Contingency Fund, but prepared to use the Security Assistance account if that appears preferable from a Congressional relations standpoint. AID would endeavor to keep open its options with regard to possible reimbursement at a later date to the account used now for the helicopter gift.

Whichever funding source is used, we believe it is important that the Egyptians perceive the helicopter gift as an addition to the aid we have previously requested from the Congress for Egypt under the Security Supporting Assistance program. It would be unfortunate were it to appear that the helicopter gift was being financed out of funds already programmed for Egypt.

Legal Considerations

The grant of the helicopter to the Government of Egypt, when consummated, will constitute assistance to Egypt within the meaning of the Foreign Assistance Act (FAA). In order for Egypt to be eligible for such assistance, it will be necessary to waive prohibitions in the FAA against assistance to countries against which there are claims by the United States Government or its citizens, as well as a specific prohibition against assistance to Egypt. These prohibitions (FAA section 620(c), (e), (p), and (q)) can all be waived by the Secretary of State under authority delegated to him by Executive Order 10973, as amended.

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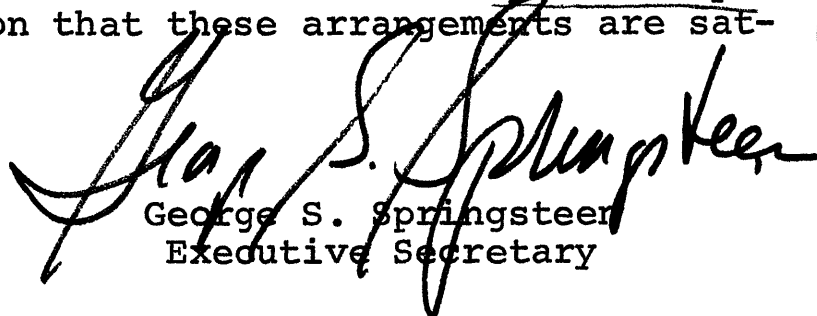
The helicopter grant is authorized by section 531 of the FAA, the Security Supporting Assistance authority, under which the President can furnish assistance to eligible friendly countries "to support or promote economic or political stability." The gift was made in support of the President's diplomatic initiatives in the Middle East, in which the Government of Egypt and President Sadat are playing a significant role. The gift of the helicopter promotes the objective of achieving political stability throughout the region by helping to consolidate the new cordial relationships between the Government of the United States and the Government of Egypt.

The helicopter is now in the Navy's possession. Acquisition of the helicopter by AID from the Navy for the purpose of making a Security Supporting Assistance grant is authorized by section 632(b) of the FAA, with the reimbursement determined in accordance with the provisions of section 632(c).

Funds for the helicopter grant can be derived from the Security Supporting Assistance account itself, or alternatively, the AID Contingency Fund. The AID Contingency Fund, provided for in section 451 of the FAA, is a separate appropriation to provide economic assistance authorized by the FAA, including Security Supporting Assistance for unforeseen needs. While the Contingency Fund is intended to be used primarily for disaster relief, it may be used for other purposes where the requirement is urgent and unforeseen.

Conclusion

We will take the necessary actions to implement the transfer of the helicopter gift package in accordance with the procedures outlined above upon receipt of your notification that these arrangements are satisfactory. //


George S. Springsteen
Executive Secretary

CONFIDENTIAL

C



DEPARTMENT OF STATE

Washington, D.C. 20520

2889 Add-on
S/S-7412676

CONFIDENTIAL

July 11, 1974

MEMORANDUM FOR MAJOR GENERAL BRENT SCOWCROFT
THE WHITE HOUSE

SUBJECT: Gift of Helicopter to President Sadat

In response to your request for additional information on the available options for implementing the helicopter gift, I am sending you copies of two memorandums which explore in detail the issues of the size of the gift and possible funding sources.

The attached Department of Navy Memorandum of 26 June 1974 was used as the source of data for the \$1.7 million and \$5.1 million gift package alternatives. The lower option includes the helicopter (item 1, at the amortized value of \$560,000), the pack-up kit (item 2a), and \$100,000 for training (items 7 and 8, for which we have allowed \$100,000 because the Navy estimate of \$50,500 excludes travel and per diem costs). The \$5.1 million option includes items 1 through 11. We have asked Navy about a possible in-between option, but have been told that an intermediate position is not feasible. We have accepted the Navy's judgment in this matter, lacking the technical expertise to develop independent cost estimates, and it would appear that we have only a high or a low option.

The July 5 information memorandum for the AID Administrator, also attached, reviews the various funding options which have been examined; the section on AID funding includes the pros and cons which you requested on use of the AID Contingency Fund and the Security Supporting Assistance account.


We believe that the proposed \$1,715,000 gift package, funded by AID but with the choice of the Contingency Fund or the Security Supporting Assistance account to be

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GDS

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-2-

determined by the AID Administrator after consultations on the Hill, represents the best course of action among the alternatives available to us.


George S. Springsteen
Executive Secretary

Attachments:

1. Navy Memorandum dated June 26, 1974
2. Information Memorandum dated July 5, 1974

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DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, D.C. 20350

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IN REPLY REFER TO

Ser 632E1/C4505

JUN 1976

CONFIDENTIAL

MEMORANDUM FOR THE DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY

Subj: Transfer of Helicopter to Egypt (U)

1. (C) Based on discussions within the Navy staff, the Naval Air Systems Command, and LCOL Boyer of the White House Flight Detachment the following program is suggested for the "gift" helicopter:

<u>Item</u>	<u>Cost</u>	<u>Remarks</u>
1. VH-3A	--	Amortized value: \$560K Acquisition cost: \$1,600K Replacement cost: \$3,246K
2.a. Pack-up Kit of Spares, Support Equipment, and Special Tools	\$1,055K	This line includes all material left in Egypt with the helo, including two engines.

Additional support requirements which require funding through FY-75 and the first two quarters of FY-76:		
b. Additional Airframe and Avionics Spares	\$1,485K	To complete spares requirements for one year of operations, based on 250-300 flight hours per year.
✓ c. Engine spare/repair parts and consumables	\$ 145.6K	
3. Spare Engines (2)	\$ 300K	Completely built-up engines, provision of this depth of spare engines obviates need for test stand at cost of \$600K
4. Ground Support Equipment	\$ 398.8K	To provide augmented "O" level for avionics, "I" level for airframe and engines.

Reduce it to \$1.09 million

CLASSIFIED BY CNO 10P-63

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SUBJ TO G.D.S. OF E.O. 11652
AUTOMATICALLY DOWNGRADED
AT TWO-YR INTERVALS
DECLAS ON 31 DEC 1980

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Ser 632E1/C4505

26 JUN 1974

- 5.a. Non-folding Rotary Head and Blades \$ 284K 1 RFI head available, 1 must be procured, 1 five blade set and 2 spare blades
- b. Contractor installation of new head in Egypt \$ 10K This an inclusive "verbal quote" from Sikorsky
6. Contractor Engineering and Technical Services (CETS) \$ 435K This points toward program similar to that established for U.S.G. White House Flight Detachment
7. Contractor Training \$ 27K Provides a "Difference" course for five qualified english speaking engineers in airframe related areas, with an introduction to the avionics--no avionics repair, and second level maintenance training on the engine for 2 weeks. (Cost to accomplish same effort in-country \$65K-minimum)
8. Pilot Transition \$ 23.5K For ground school and fifteen VH-3A hours each for two pilots in CONUS.
9. Publications and Documentation \$ 25K This does not include the detailed drawings necessary for Depot level maintenance
10. USN Provisioning, mini-Site Survey, Travel and per diem associated with this program \$ 125K
11. Program contingency and administration \$ 198K

TOTAL FOR IN-COUNTRY AND REQUIRED SUPPORT PACKAGE: \$4,511.8K

2. (C) The Navy is faced with three options in establishing the "sale price" of the helicopter. It would prefer to receive

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Ser 632E1/C4505
26 JUN 1973

the replacement cost of \$3,246K (for 1 VH-3D); the second option is recoupment of the acquisition cost of the original aircraft, \$1,600K. If directed by DSAA, the price of the aircraft can be amortized, based on a 20 year life, to a value of only \$560K. If so directed, this would be the sale price for an inter-agency transfer of the gift VH-3A to A.I.D.

3. (C) The following table represents the funding requirements by FY quarter for the program:

	FY-75				FY-76	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>
a. Support:						
In-country:	\$500 K	\$500K	\$ 55K			
Required:	<u>929.5K</u>	<u>400K</u>	<u>750K</u>	<u>\$600K</u>	<u>\$500K</u>	<u>\$277.3K</u>
Support Total:	\$1429.5K	\$900K	\$805K	\$600K	\$500K	\$277.3K
b. Aircraft:						
Replacement:	\$324.6K	\$649.2K	\$973.8K	\$486.9K	\$486.9K	\$324.6K
Acquisition:	\$400K	\$400K	\$400K	\$400K	\$400K	
Amortized:	--	\$160K	\$160K	\$160K	\$160K	

(dependant upon price authorized, value should be added to SUPPORT TOTAL)

c. Should DSAA direct that the helicopter be sold at its amortized value, the funding requirements by quarter would be:

	FY-75				FY-76	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>
Program:	\$1,429.5K	\$1,060K	\$965K	\$760K	\$660K	\$277.3K
Total:	\$5,071.8K					

4. (C) The Navy and White House Flight Detachment personnel who were in Egypt when the helicopter was presented to President Sadat, are preparing an informal proposal for presentation to the Government of Egypt. This proposal will point toward the establishment in Egypt of a Presidential Flight Detachment similar to that used by the USG. The support package for the VH-3A, with its heavy contractor involvement, is already tailored to this concept. Conversation with LCOL Boyer indicates that the GOE will not be satisfied with just one aircraft--whether we are asked to provide additional aircraft, or whether expansion of the program will be along strictly commercial lines is open to conjecture. It is recommended that a small team be introduced

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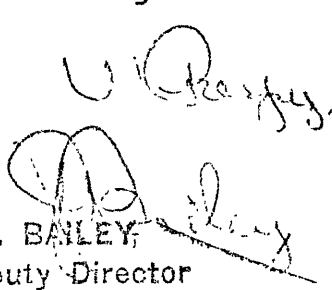
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Ser 632E1/C4505

26 JUN 1974

into Egypt to explain the proposed program and the options open to the GOE, (recommended personnel: LCOL Boyer, Mr. T. Monahan -- NAVAIR Program Manager, Mr. R. Moomey -- NAVMAT, one logistics/facilities expert, CNO and OSD representation as appropriate, Sikorsky representatives). It is recommended that this team make its presentation in the near term to ensure successful program implementation and preclude misunderstandings.

5. (C) Sikorsky is investigating the feasibility of adapting the particle separator now installed on Westland S-61 helicopters to VH-3A use. The latest information indicates that a particle separator will be needed if engine wear due to Egyptian sand is to be minimized.


J.D. BAILEY
Deputy Director
Security Assistance Division

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

July 5, 1974

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INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

FROM: AA/SA, Robert M. Nooter

SUBJECT: Helicopter-Funding Options

The purpose of this memorandum is to inform you of the variety of options we have explored with respect to the funding of the gift of the helicopter to President Sadat with our conclusions as to the viability of each. The options assume a total gift package of approximately \$1.7 million. A higher figure would cause greater difficulty.

1. DOD Funding

a. Military Assistance Program. Use of military assistance funds requires, in advance, a determination by the President that military assistance to Egypt will strengthen the security of the United States and promote world peace. (FAA Sec. 503(a)). Military assistance funds can only be used to furnish equipment which is intended to be used for military purposes. (FAA Sec. 644(d)). The Secretary of State has stated publicly and repeatedly that the Administration has no intention of providing military assistance to Egypt and State is concerned about the domestic and international repercussions of a Presidential finding that Egypt is eligible for MAP. Moreover, since the helicopter is not intended to be used for military purposes, use of MAP would be of dubious legality in any event.

b. Secretary of Defense Contingency Fund. The Defense Department Appropriation Act includes a \$5 million item "for emergencies and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense. . ." Availabilities

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in fiscal year 1975 under the Continuing Resolution are \$2.5 million; budget request is \$5 million.

That fund was used in former administrations for allegedly non-military expenditures and, as a result, was cut from \$15 to \$5 million.

DOD questions whether payment for the helicopter could be construed as an emergency arising in the Department of Defense or as a confidential military purpose.

The Department of State is seriously concerned with political problems associated with using any DOD funds in Egypt. Obligations from the fund must be reported to the appropriate Congressional Committees. No prior approval is required.

2. CIA Funding

The CIA has funds available authorized to be used for a broad variety of purposes. They uniformly have been used for covert operations. We assume that use of such funds for this prominent public transaction is not appropriate. The State Department believes use of CIA funds would have serious adverse diplomatic consequences in Egypt.

3. State Department Funding

The State Department has available to it appropriations for Emergencies in the Diplomatic and Consular Services. This fund has been used, in the past, for token gifts (\$25-\$50) to foreign dignitaries. The great proportion of the fund is used for other purposes (repatriation loans for U.S. citizens and emergency evacuations). Availabilities in the fund under the Continuing Resolution are on the order of \$2 million. Were the fund to be used for financing the helicopter, affirmative Congressional action would be required, at least in the appropriations process, to provide enough money to fund the gift while at the same time continuing other programs for which it was primarily designed.

It can be argued that this gift fund is the one intended to be used for gifts to foreign dignitaries such as the helicopter. The principal disadvantage of using the fund

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is the necessity of obtaining affirmative Congressional action to increase the amount appropriated for it. Furthermore, in order to obtain an increase, it would probably be appropriate to delay the effective date of the gift until Congressional action is obtained.

4. White House Funding

We have been informed by NSC that no Presidential contingency fund is available for this purpose.

5. A.I.D. Funds

a. Supporting Assistance. The helicopter grant can be funded under section 531 of the Foreign Assistance Act of 1961, as amended (FAA) as assistance to a friendly country "to support or promote economic or political stability" with waivers of relevant FAA prohibitions by the Secretary of State comparable to those obtained to initiate other assistance activities in Egypt last spring.

However, use of these funds requires prior notification to the Congressional Appropriations Committees. Senator Inouye, the Chairman of the Senate Appropriations Subcommittee on Foreign Operations, has already indicated his displeasure with the Administration's failure to consult the Congress before the gift was made. Furthermore, Senator Inouye has objected to the initiation of new "operations" under the Continuing Resolution authority except for operations under the Contingency Fund.

The pros and cons of this option are as follows:

- Pro: (a) The legislative authority is sufficiently broad to encompass funding of the helicopter.
- Cons: (a) An adverse Appropriations Committee vote on the use of these funds for the helicopter could place us in a very embarrassing position, and could raise serious Congressional relations problems regarding the Committees' ability to block any particular use of funds, which has been avoided until now.

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- (b) Senator Inouye's "new operations" restriction is potentially a very serious limitation on A.I.D.'s ability to do business under a CR. The helicopter gift is not an advantageous transaction with which to get a precedent as to the scope of the restriction.
- (c) Congressional irritation regarding failure to consult could lead to substantial cuts in the overall Supporting Assistance budget.
- (d) While the amount is relatively small in proportion to the total required, the Egyptian Government might feel that funding the helicopter from the Supporting Assistance account effectively reduces the \$250 million economic aid request for Egypt by that amount.

b. Contingency Fund. The A.I.D. Contingency Fund of \$15 million (or \$3.75 million on a quarterly basis under the CR) is another possible source of financing. While the language of the law is quite broad, in the last several years the Congress has made known that it is the intention that these funds should be used mainly for meeting needs caused by natural disasters. Congressional notification prior to use is not required, but Congress must be advised after the fact.

The pros and cons of this option are:

- Pro: (a) This option is legally broad enough to encompass financing of the helicopter.
- Cons: (a) Financing of this kind in the face of clear Congressional intent that the Fund be used for natural disasters could lead to elimination of Contingency Funds in the FY 1975 appropriation process.
- (b) An alternative Congressional reaction might be to limit use of Contingency Funds to natural disasters only, through legislation, thereby removing most of the flexibility now permissible under this funding category.

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- (c) Use of Contingency Funds for this purpose would increase Congressional apprehension about approving the \$100 million Special Requirements Fund.

6. Delay Funding Choice for Several Months

One possibility would be to put off making a decision regarding the source of funds until later in the year, possibly after Congressional action on the Foreign Assistance Act. This could be done either by returning the helicopter to the U.S. for maintenance and an overhaul although this would add perhaps as much as \$1 million to the eventual cost. It could also be done simply by keeping the helicopter in place but without passing legal title to the Government of Egypt until a later date.

The pros and cons of this option are:

- Pro: (a) A delay would avoid associating any particular funding category with the helicopter until after Congressional action had been taken.
- Cons: (a) Congress is already well aware of the gift, and has requested a GAO investigation of the source of funds. A delay might become increasingly embarrassing over time if Congress continues to press as to source of funds in the continuing hearings on the SA appropriation.
- (b) This could become embarrassing with the Egyptian Government since this would lead to a delay in training of the Egyptian pilots and failure to tidy up the transaction by making the official transfer of title.
- (c) Congressional action on the FAA could conceivably be delayed for many months, making this option increasingly untenable.
- (d) An overhaul of the helicopter would considerably increase the financing costs.

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- 6 -

7. Funding in Tranches

Immediate budgetary consequences on the selected account might be reduced were the gift to be funded in tranches. However, on the assumption the low-option gift is chosen, there appears no feasible way to split the gift in a way which would permit deferral of any substantial portion of the obligation. \$1.6 million of the value represents the amortized cost of the helicopter and spare parts and tools left in Egypt. The training component represents only \$100,000 of the cost.

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TELEGRAM

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SECRET 9027

PAGE 01 CAIRO 05825 051334Z

44
ACTION SS-30

INFO OCT-01 ISO-00 /031 W

R 051118Z AUG 74T
FM AMEMBASSY CAIRO
TO AMEMBASSY SAIGON
INFO SECSTATE WASHDC 8147
AMEMBASSY JIDDA

S F C R E T CAIRO 5825

EXDIS

JIDDA FOR AMBASSADOR AKINS

F.O. 11652: GDS
TAGS: UCLR EG VS
SUBJECT: EGYPTIAN INTEREST IN OVERFLIGHT OF SOUTH VIETNAM

REF: SAIGON 10221 (OOTAL)

1. I CONVEYED SUBSTANCE REFTEL TO FAHMY AND ASHRAF MARWAN (AN AIDE TO THE PRESIDENT) IN ALEXANDRIA TWO DAYS AGO. IN DOING SO, I NOTED THAT IF SAQQAF VISIT TO SAIGON DOES NOT TAKE PLACE SOON, RVN FONMIN BAC WOULD BE WILLING TO ACCEPT A LETTER FROM SAQQAF TRANSMITTING EGYPTIAN REQUEST FOR EGYPTAIR OVERFLIGHT RIGHTS OF SOUTH VIETNAM TERRITORY AND THAT SUCH LETTER COULD BE GIVEN TO GVN AMBASSADOR IN JIDDA FOR FORWARDING TO BAC. MATTER COULD BE FOLLOWED UP WHEN BOTH FAHMY AND BAC ARE IN NEW YORK NEXT MONTH FOR UNGA IF NECESSARY.

2. FAHMY SAID SAQQAF TOLD EGYPTIANS HE HAS NO IMMEDIATE PLANS TO VISIT SAIGON. FAHMY AGAIN PRESSED THAT ARRANGEMENTS BE WORKED OUT DIRECTLY THROUGH US RATHER THAN THROUGH SAQQAF. (FAHMY IS OFFICIALLY RELUCTANT TO BE BEHOLDEN TO SAG ON THIS AND PERSONALLY EVEN MORE RELUCTANT TO HAVE TO REQUEST SAQQAF'S HELP.) THIS WOULD MAKE THE WHOLE THING MORE TIDY.

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Department of State TELEGRAM

SECRET

PAGE 02 CAIRO 05825 051334Z

3. I AGAIN WENT OVER GVN RATIONALE IN WANTING REQUEST MADE THROUGH SAQQAF IN ORDER TO BE ABLE TO GIVE AN AFFIRMATIVE REPLY TO A FIRST SAUDI REQUEST. I POINTED OUT PROCEDURE HAD BEEN APPROVED BY BOTH PRESIDENT THIEU AND BAC AND THAT WE HAD BEEN ASSURED THAT A POSITIVE REPLY WILL BE FORTHCOMING. IF GOE WANTS EXPEDITIOUS ACTION, IT WOULD BE WELL ADVISED TO FOLLOW PRESCRIBED PROCEDURE. SINCE BOTH SAQQAF AND RASHAD PHARAON WERE CURRENTLY IN ALEXANDRIA, I SUGGESTED SUBJECT BE TAKEN UP WITH THEM ASAP.

4. FAHMY INITIALLY GRUMBLED AND QUESTIONED SAQQAF'S RELIABILITY IN PASSING REQUEST TO GVN AMBASSADOR, BUT ULTIMATELY AGREED TO V DISCUSS MATTER WITH SAQQAF. I TOLD HIM I WOULD ASK AMBASSADOR AKINS DISCREETLY TO FOLLOW UP WITH SAQQAF

TO URGE EXPEDITIOUS ACTION.

5. THIS MORNING, WHEN SEEING FAHMY OFF AT AIRPORT, HE TOLD ME MATTER HAD BEEN PUT TO SAQQAF AND RASHAD PHARAON AND THAT SAUDIS HAVE AGREED TO ASSIST. FAHMY STILL ENTERTAINED DOUBTS ABOUT SAQQAF'S RELIABILITY AND SAID HE WOULD APPRECIATE AMBASSADOR AKINS' HELP IN URGING SAQQAF TO MOVE QUICKLY.

6. FOR JIDDA: I BELIEVE ABOVE, WHICH REPRESENTS DISTILLATION OF A SERIES OF MESSAGES EXCHANGED DURING THE PAST SEVERAL MONTHS BETWEEN CAIRO AND SAIGON ON OBTAINING GVN OVERFLIGHT RIGHTS FOR EGYPTAIR, SHOULD FILL YOU IN ON WHAT IS INVOLVED. THESE ARRANGEMENTS ARE BEING WORKED OUT WITH DEPT'S APPROVAL. WOULD APPRECIATE YOUR HELP IN GENTLY URGING OUR MUTUAL FRIEND, QDAR, TO MOVE

ON THIS ONE WITH DELAY. REFTEL BEING REPEATED TO YOU. ADVISE IF ADDITIONAL INFORMATION NEEDED.

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PAGE 03 CAIRO 05825 051334Z

7. FOR
SAIGON: RE PARA 3 REFTL, WILL TAKE OCCASION DISCREETLY
SUGGEST GUF RECONSIDER ITS POSITION ON "PRG" REPRESENTATION IN
INTERNATIONAL BODIES. UNTIL EGYPTIAN REQUEST IS MET, HOWEVER,
COMPENSATORY ADVANTAGE ARGUMENT MAY BE A BIT PREMATURE. EILTS

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SECRET 8594

PAGE 01 CAIRO 05674 310933Z

44

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

048924

R 310800Z JUL 74
FM AMEMBASSY CAIRO
TO AMEMBASSY SAIGON
INFO SECSTATE WASHDC 8063

S E C R E T CAIRO 5674

EXDIS

E.O. 11652: GDS
TAGS: OCLR EG VS
SUBJ: EGYPTIAN INTEREST IN OVERFLIGHT OF SOUTH
VIETNAM

REF: SAIGON 9951 AND PREVIOUS

1. GAVE SUBSTANCE REFTEL TO FAHMY TODAY. HE WAS A BIT CONCERNED ABOUT REFTEL SUGGESTION THAT MATTER BE HANDLED THROUGH SAQQAF PARTLY BECAUSE OF UNCERTAINTY OF LATTER'S VISIT TO SAIGON, BUT SAID GOE WILL PROCEED AS SUGGESTED. KING FAYSAL IS CURRENTLY IN CAIRO AND MATTER MAY BE DISCUSSED WITH HIM OR HIS ENTOURAGE. FAHMY ASKED THAT IS SAQQAF'S VISIT TO SAIGON SHOULD BE DELAYED, WOULD RVN BE WILLING TO HAVE REQUEST MADE THROUGH GVN AMB IN JIDDA. I SAID I DID NOT KNOW, BUT WOULD INQUIRE. FAHMY HAD NO PROBLEM WITH CONCEPT OF "COMPENSATORY ADVANTAGE" FOR GVN IF THE INITIAL SIX MONTH OVERFLIGHT IS TO BE REWED.

2. FYI. FAHMY IS NOT PLEASED WITH THE IDEA OF HAVING TO WORK THROUGH SAQQAF, WHOM HE DETESTS. NOR IS HE ENTIRELY SURE THAT SAQQAF, IF THE LATTER GOES TO SAIGON, WILL ADEQUATELY PRESENT GOE'S CASE. I ALSO QUATION GVN'S APPARENT ASSUMPTION THAT SAG'S WILLINGNESS TO ASSUME A SPECAIL MISSION IN BEHALF OF GOE WILL GENERATE ANY PRESSURE ON SAQQAF TO MAKE AN

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29

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TELEGRAM

SECRET

PAGE 02 CAIRO 05674 310933Z

EARLY VISIT TO SAIGON. HE WILL GO IN HIS OWN SWEET
TIME AND THERE IS NOTHING EGYPTIANS CAN DO TO SPEED UP
HIS TRIP.
FILTS

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The seal of the United States Department of State is located at the top center of the page. It features an eagle with wings spread, perched on a shield with vertical stripes. Above the eagle's head is a constellation of stars. The words "DEPARTMENT OF STATE" are arched above the eagle, and "UNITED STATES OF AMERICA" is arched below it, separated by two small stars.

TELEGRAM

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Department of State **TELEGRAM**

SECRET

PAGE 02 CAIRO 05640 301038Z

NOW THREATENS TO BRING DOWN THE WHOLE HOUSE OF CARDS, THOUGH HE STILL HOLDS TRUMP IN KING FAISAL.

2. INTERNALLY, WE KNOW SADAT IS CONCERNED ABOUT HIS REGIME'S POPULARITY IN FACE OF VIOLENT DENUNCIATIONS FROM PALESTINIANS AND LACK OF PUBLIC SUPPORT FROM "SOCIALIST" ARAB STATES. IT IS COMMON TALK HERE THAT EGYPTIAN DISENGAGEMENT AGREEMENT, WHILE FINE THING IN ITSELF, WAS INFERIOR DEAL TO SUBSEQUENT SYRIAN DISENGAGEMENT. FURTHER, THERE ARE PURELY DOMESTIC PROBLEMS WHICH ARE POTENTIAL HINDRANCES TO SADAT'S FREEDOM TO PURSUE INDEPENDENT, CREATIVE, UNPOPULAR FOREIGN POLICY. THUS, FOR EXAMPLE, TROUBLE MAY BREW WHEN THE STUDENTS RE-ASSEMBLE IN SEPTEMBER. THAT GOE IS CONSIDERABLY CONCERNED ABOUT THIS WAS DEMONSTRATED BY OFFICIAL PRAISE IN LOCAL PRESS JULY 29 FOR CHAIRMAN OF ALEXANDRIA UNIVERSITY STUDENT COUNCIL AND BY OBVIOUS EFFORT TO COOPT HIM INTO THE ESTABLISHMENT. WE BELIEVE TRADITIONAL PROBLEM OF OPPOSITION FROM RELIGIOUS RIGHT IS ALSO RECEIVING ACTIVE GOE ATTENTION. OVER THE WEEK-END, PRESS REPORTED TWO GESTURES OF GOE GOODWILL TOWARD CONSERVATIVE MUSLIMS: FIVE MUSLIM BROTHER WHO HAVE SERVED 20 YEARS IN JAIL WERE RELEASED, AND HEAD OF EGYPTIAN HIGHER COUNCIL FOR ISLAMIC STUDIES WAS PRESENT AT MEETING BETWEEN SADAT AND HIGH-RANKING REPRESENTATIVE OF KING FAISAL. FURTHER, SADAT IN HIS JULY 27 SPEECH VOWED TO DO SOMETHING ABOUT INFLATION, WHICH IS MOST IRKSOME OF ALL LOCAL PROBLEMS.

3. EXTERNALLY, SADAT FINDS HIMSELF IN UNUSUAL EGYPTIAN POSITION OF ALIGNMENT WITH ARAB PRINCES, WITH NO STAUNCH ALLY IN "SOCIALIST" CAMP. HIS ARAB POLICH IS QUITE CLEARLY THE SAME AS KING HUSAINIS, AS STATED BY GOJ OFFICIAL INTERPRETATION OF COMMUNIQUE (AMMAN 4361), AND THOSE GOVERNMENTS WHO HAVE INFORMED ARAB LEAGUE OF SUPPORT FOR POSTPONEMENT OF SUMMIT READ LIKE CATALOGUE OF WHAT EGYPTIANS USED TO CALL ARAB "REACTIONARY REGIMES": OMAN, UAE, BAHRAIN, AND JORDAN.

4. SADAT'S TRUMP CARD, OF COURSE, IS KING KAISAL. THE WEIGHT OF SAUDI POLITICAL SUPPORT IS NOT TO BE TAKEN LIGHTLY IN VIEW OF FAISAL'S FINANCIAL BACKING OF FATAH, HIS PIVOTAL IMPORTANCE RE USE OF OIL WEAPON, AND REMNANTS OF POLITICAL INFLUENCE HE RETAINS WITH OIL-EXPORTING GULF STATES (OTHER THAN KUWAIT). NEVERTHELESS, GOE MUST FEEL SOMEWHAT ISOLATED AND IS PRESUMABLY SEEKING URGENTLY TO BRING LEFTIST GOVERNMENT INTO FOLD. ALGERIA,

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Department of State **TELEGRAM**

SECRET

PAGE 03 CAIRO 05640 301038Z

IN GOE VIEW, IS ALMOST HOPELESS CASE. SARG'S TIME-TABLE APPROACH TO NEGOTIATIONS APPEARS TO DIFFER RADICALLY FROM GOE APPROACH. ALL THIS MAY EXPLAIN GOE'S SUDDEN WILLINGNESS TO WOO THE IRAQIS. CAIRO 5597 REPORTED GOVERNMENT-INSPIRED AHAM ARTICLE ENDORSING GOI/GOE DIALOGUE IN VIEW ALLEGED RADICAL SWITCH OF BAATHI WORLD VIEW, AND PRESS JULY 29 REPORTS IRAQI MIN EDUCATION, WHO HAS JUST PAID VISIT TO CAIRO, HAS INVITED HIS GOE COLLEAGUE TO PAY RETURN VISIT AND HAS ARRANGED TO RECRUIT EGYPTIAN TEACHERS FOR IRAQ.

6. CRISIS IN EGYPTIAN ARAB POLICY IS SYMBOLIZED BY ALEXANDRIA COMMUNIQUE. WE BELIEVE IT UNLIKELY THAT, AS SUGGESTED BY RETRUT 8716, COMMUNIQUE WAS DELIBERATE PLOY TO SHOCK MODERATE PALESTINIANS INTO STATESMAN-LIKE APPROACH TO NEGOTIATIONS WITH HUSAIN. IN OUR VIEW SADAT THROUGHT HE HAD MODERATES IN THE BAG. IT SEEMS TO US HE HAS MISJUDGED HIS OWN INFLUENCE OVER ARAFAT, ARAFAT'S INFLUENCE ON LPD, AND CHARISMA OF GOE REGIONAL LEADERSHIP, WHICH SEEMS MORE AND MORE TO HAVE BEEN BASED IN LARGE PART ON PERSONALITY OF NASSER HIMSELF.

7. SO FAR, GOE SEEMS TO BE FACING UP TO PALESTINE/GOJ PROBLEM AND SHOWS NO SIGNS OF CAVING IN. IN JULY 23 SPEECH, SADAT FIRMLY POINTED TO TWO OPTIONS: ARAB COORDINATION OR ARAB CIVIL WAR. IN LAST THREE DAYS FAHMY HAS MET AT LEAST ONCE WITH EVERY ARAB AMBASSADOR AND CHARGE. ONLY CHANGE IN GENERAL GAME PLANS AS OUTLINED PUBLICLY ON SEVERAL OCCASIONS IN RECENT PAST BY PRESIDENT SADAT IS UNCONFIRMED AHAM FEATURE STORY JULY 29, QUOTING MENA DESPATCH FROM DAMASCUS, THAT CONTACTS ARE CURRENTLY UNDERWAY TO ARRANGE EGYPTIAN/SYRIAN/PALESTIAN SUMMIT CONFERENCE IN CAIRO. "IT IS EXPECTED" THAT MEETING WILL BE HELD ON SECOND WEEK OF AUGUST. ITEM CONTINUES THAT CONTACTS BETWEEN CAIRO AND PLO INTENSIFIED FOLLOWING RELEASE OF ALEXANDRIA COMMUNIQUE. IN COURSE OF THESE CONTACTS" GOE WELCOMED "ANY MEETING" INTENDED TO COORDINATE VIEWS BETWEEN CONFRONTATION STATES AND PLO.

8. NEEDLES TO SAY, OUR CONTACTS IN GOE ARE CONCERNED THAT "UNFRIEDLY" STATES WILL MAKE POLITICAL HAY OF EGYPTIAN DIFFICULTIES. AS NOTED IN TRIPOLI 828, QADHAAFI IS NO DOUBT PLEASED AS PUNCH. KNOWLEDGE THAT THE SOVIETS ARE HOVERING

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PAGE 04 CAIRO 05640 301038Z

IN THE WINGS OF ME ARENA DARKENS ALREADY GLOOMY ATMOSPHERE AT
EGYPTIAN MEA.
FIITS

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PAGE 01 CAIRO 05591 281745Z

45

ACTION SS-30

INFO OCT-01 ISO-00 NSCE-00 SSO-00 /031 W

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0281320Z JUL 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC IMMEDIATE 8007

CONFIDENTIAL CAIRO 5591

EXDIS

E.O. 11652: GDS

TAGS: TSPA, EG

SUBJ: NUCLEAR ENERGY AGREEMENT

REF: STATE 163982

1. I CALLED ON MINISTER OF POWER SULTAN TODAY TO GIVE HIM REVISED TEXTS OF NUCLEAR ENERGY AGREEMENT AND ACCOMPANYING NOTE AS SET FORTH STATE 156347. I EXPLAINED SUBSTANCE OF CHANGES AND WHY THEY HAD TO BE MADE. I RECALLED WE HAD PREVIOUSLY DISCUSSED THE SENSITIVITY OF THIS SUBJECT, PARTICULARLY AFTER THE INDIAN NUCLEAR EXPLOSION.

AND THE RESULTANT INTENSE CONGRESSIONAL CONCERN, AND THAT WE WOULD HAVE TO MOVE STEP BY STEP. WE FULLY RECOGNIZE SULTAN'S UNDERSTANDABLE DESIRE TO MOVE AHEAD EXPEDITIOUSLY AND HE COULD RELY ON THE FACT THAT WE WILL MOVE AS RAPIDLY AS CIRCUMSTANCES PERMIT.

2. I ALSO OUTLINED FOR SULTAN SEVERAL CONSIDERATIONS

SET FORTH PARAS 2A THROUGH C OF REFTEL, WHICH I HAD EARLIER TODAY GIVEN TO FAHMY. (I DID NOT, HOWEVER, MENTION PARA 2D OF REFTEL, SINCE THIS IS SOMETHING WHICH FAHMY RATHER THAN SULTAN SHOULD DETERMINE.) THE IDENTICAL REVISIONS AND THE SAME PROCEDURE, I STRESSED, APPLY TO THE

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PAGE 02 CAIRD 05591 281745Z

ISRAELI NUCLEAR ENERGY AGREEMENT.

3. SULTAN LISTENED ATTENTIVELY AND SAID HE UNDERSTOOD THE NEED TO MOVE STEP BY STEP. HE UNDERTOOK TO STUDY THE REVISED TEXTS AND TO LET ME HAVE GOE REACTION ASAP. HE WAS NOT DISTURBED ABOUT THE TIGHTENED SAFEGUARD PROVISIONS SO LONG AS THEY WERE EQUALLY APPLICABLE TO ISRAEL. HE DID ASK, HOWEVER, HOW USG IS HANDLING SAFEGUARDS IN CONNECTION WITH THREE NUCLEAR PLANTS WHICH IRAN HAS RECENTLY PURCHASED FROM FRANCE, SINCE HE UNDERSTOOD FRANCE ONLY ABLE TO PROVIDE SUCH PLANTS WITH USG ASSISTANCE. I SAID I WAS NOT AWARE OF THIS, BUT SUGGESTED IAEA SAFEGUARDS WOULD SURELY APPLY EVEN TO A FRENCH PROVIDED NUCLEAR POWER PLANT. HE DID NOT PURSUE THE POINT, BUT SUGGESTED A DATE SHOULD BE FIXED AS SOON AS PRACTICAL FOR BOTH EGYPT AND ISRAEL TO SIGN THE AGREEMENT.

4. I THEN SUGGESTED TO SULTAN THAT, IN LIGHT OF THE CONSIDERATIONS ALREADY MENTIONED, IT WOULD PROBABLY BE WISE NOT TO PRESS FOR USG FINANCIAL ASSISTANCE IN CONNECTION WITH THE PROPOSED NUCLEAR POWER PLANT AT THIS TIME. PERHAPS HE COULD FIND SOME NON-US FUNDING TO BEGIN THE PROJECT AND ONE COULD LOOK AT THE MATTER AGAIN AT A LATER POINT TO SEE IF SOME US FINANCIAL PARTICIPATION MIGHT THEREAFTER BE POSSIBLE. SULTAN, WHO HAD PREVIOUSLY SPOKEN WITH NOOTER ABOUT THIS, READILY AGREED THAT THIS WAS NOT THE TIME TO PRESS FOR USG FINANCIAL ASSISTANCE. HE LEFT OPEN THE POSSIBILITY OF DOING SO AT A LATER POINT.
EILTS

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Department of State **TELEGRAM**

CONFIDENTIAL 2047

PAGE 01 CAIRO 05581 271244Z

45 S
ACTION SS-30

INFO OCT-01 ISO-00 /031 W

015552

R 271130Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 8002

C O N F I D E N T I A L CAIRO 5581

E.O. 11652: GDS
TAGS: PFOR, OVIP
SUBJ: PRESIDENT SADAT'S VISIT TO U.S.
E X D I S

1. A/DCM WAS REQUESTED TO CALL AT MFA BY AMBASSADOR TUHAMI, DIRECTOR FOR NORTH AMERICAN AFFAIRS, ON JULY 27. DURING COURSE OF CONVERSATION, AT WHICH AMERICAN DESK OFFICER SHILBAYA WAS ALSO PRESENT, VARIOUS MATTERS CONCERNING PRESIDENT SADAT'S PROSPECTIVE VISIT TO THE U.S. WERE RAISED. TUHAMI OPENED DISCUSSION BY SAYING HE WISHED THIS TO BE AN INITIAL INFORMAL TALK CONCERNING FUTURE PREPARATIONS FOR PRESIDENT SADAT'S VISIT. HE SAID THAT THE EGYPTIAN EMBASSY IN WASHINGTON HAD RECEIVED SEVERAL INVITATION FOR SADAT TO SPEAK AT VARIOUS PLACES IN THE U.S. AMONG THESE WERE THE COMMONWEALTH CLUB OF CALIFORNIA AND THE WORLD AFFAIRS COUNCIL OF NORTHERN CALIFORNIA, BOTH IN SAN FRANCISCO. HE ASKED OUR OPINION OF THESE ORGANIZATIONS.

2. TUHAMI THEN MENTIONED THAT THE EGYPTIAN EMBASSY HAD ALSO RECEIVED AN INVITATION FROM RABBI BARUCH KORF OF THE NATIONAL CITIZENS COMMITTEE OF CONNECTICUT FOR FAIRNESS TO THE PRESIDENCY. TUHAMI SAID THAT THE LATTER INVITATION HAD BEEN POLITELY REFUSED BY AMBASSADOR GHORBAL WHEN HE LEARNED THAT KORF HAD BEEN AN ACTIVE ZIONIST AND A MEMBER OF THE STERN GANG IN THE LATE 40'S. GHORBAL HAD INDICATED THAT PRESIDENT SADAT HAD SO MANY COMMITMENTS HE SIMPLY COULD NOT ACCEPT ALL THE INVITATIONS EXTENDED TO HIM. A COPY OF THIS REFUSAL, IN VIEW OF THE NATURE OF THE ORGANIZATION, QUOTE WAS MADE AVAILABLE TO

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74 JUL 29 AM 8:38
WHITE HOUSE
SITUATION ROOM

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Department of State **TELEGRAM**

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PAGE 02: CAIRO 05581 271244Z

THE WHITE HOUSE UNQUOTE. TUHAMI RAISED QUESTIONS CONCERNING PRESIDENT SADAT'S ITINERARY IN U.S. ASKING WHETHER IT WOULD BE USERUL TO ACCEPT AN INVITATION TO VISIT HOUSTON, TEXAS. IN THIS CONTEXT TUHAMI AND SHILBAYA QUERIED AS TO WHETHER PRESIDENT NIXON WOULD BE ACCOMPANYING PRESIDENT SADAT ON PORTIONS OF THE TRIP.

3. A/DCM RESPONDED THAT BEFORE DEALING WITH INDIVIDUAL INVITATIONS OR POSSIBLE POINTS IN THE ITINERARY, IT WOULD BE WORTHWHILE TO LOOK AT THE VISIT IN ITS BROADEST ASPECTS, OBTAIN THE FULLEST POSSIBLE INFORMATION AND ADVICE FROM THE EGYPTIAN EMBASSY IN WASHINGTON AND FROM THE U.S. SIDE IN WASHINGTON, WHICH HAD MUCH EXPERIENCE WIT PLANING HIGH LEVEL VISITS. ONCE WE HAVE A BETTER IDEA OF THE TTALITY OF THE ELEMENTS OF THE PROGRAM, INDIVIDUAL INVITATIONS AND POINTS IN THE ITINERARY COULD BE REFINED. WITH REGARD TO PRESIDENT NIXON ACCOMPANYING PRESIDENT SADAT ON ANY PORTION OF THE VISIT, THE A/DCM WAS NON-COMMITTAL. HE DID, HOWEVER, MAKE REFERENCE TO THE EXTREMELY HECTIC PACE OF THE WASHINGTON SCENE IN THE FALL AND THE VITALLY IMPORTANT MATTERS BEFORE THE CONGRESS AND PRESIDENT AT THAT TIME. ALTHOUGH DONE VERY TACTFULLY, WE ARE NOW APPARENTLY RECEIVING INITIAL INDICATIONS OF AN EGYPTIAN EXPECTATION THAT THE PRESIDENT WOULD RECIPROCATATE IN SOME, EVEN THOUGH SMALL MEASURE, FOR THE VISIT TO ALEXANDRIA. EILTS

NOTE BY OC/1: EXDIS CAPTION INSERTED PER INSTRUCTIONS S/S-O, MR. SARROS.

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Department of State **TELEGRAM**

SECRET 6105

PAGE 01 CAIRO 05526 251329Z

43
ACTION SS-30

INFO OCT-01 ISO-00 /031 W

118440

R 251300Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7968
INFO AMEMBASSY ATHENS

S E C R E T CAIRO 5526

EXDIS

E.O. 11652: GDS
TAGS: BTRA
SUBJ: BOEING 707 AIRCRAFT FOR PRESIDENT SADAT

REF: ATHENS 4857 (NOTAL)

1. PLEASE PASS FOLLOWING TO CHARLES T. THUM, PRESIDENT,
LOCKHEED AIRCRAFT SERVICE CO., ONTARIO, CALIFORNIA, FORM
AMBASSADOR.

2. QUOTE. I HAVE RECEIVED YOUR MESSAGE, SENT
THROUGH THE LOCKHEED REPRESENTATIVE IN ATHENS, R.K. BROWN,
ABOUT THE EGYPTIAN VIP AIRCRAFT FOR PRESIDENT SADAT. I
RECALL VERY WELL YOUR VIST AND OUR DISCUSSION ON THE
SUBJECT. I HAVE NOT PERSONALLY BEEN INVOLVED IN THE
MATTER FOR THE PAST SEVERAL MONTHS, BUT UNDERSTAND
THAT THE EGYPTIAN AUTHORITIES--SPECIFICALLY DR. ASHRAF
MARWAN AND HIS COLLEAGUES--HAVE BEEN CONSIDERING HOW
TO PROCEED. I WAS NOT AWARE THAT COLLINS OR ANY OTHER
FIRM HAD SUBMITTED A BID ON THE VIP AIRCRAFT, BUT IT
COMES AS NO SURPRISE THAT THE EGYPTIANS ARE SHOPPING
AROUND TO GET THE BEST PRICE. NOR AM I AWARE OF ANY
USG INFLUENCE ON THE EGYPTIANS TO CONCLUDE A CONTRACT
WITH ONE OR THE OTHER FIRM. THIS EMBASSY IS DEDICATED
TO PUSHING AMERICAN GOODS AND SERVICES, BUT THE DECISIONS
ON
WHERE, WHAT AND WHEN TO BUY MUST BE MADE ENTIRELY

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37

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PAGE 02 CAIRO 05526 251329Z

BY THE EGYPTIAN AUTHORITIES.

3 I AM CONFIDENT THAT LOCKHEED HAS ACTED IN GOOD FAITH, AND CAN ONLY REITERATE--CATEGORICALLY--THAT NO MEMBER OF THIS EMBASSY SOUGHT TO INFLUENCE THE DECISION OF THE EGYPTIAN GOVERNMENT IN ONE WAY OR ANOTHER. THIS EMBASSY CONTINUES TO STAND READY TO BE OF ALL APPROPRIATE ASSISTANCE TO YOU AND ALL OTHER AMERICAN BUSINESSMEN. UNQUOTE

4. FOR ATHENS: WOULD APPRECIATE YOUR REPEATING REFTL TO DEPARTMENT FOR ITS INFO. I ALSO HAVE NO OBJECTION TO YOUR PASSING ABOVE MESSAGE TO LOCKHEED REP BROWN FOR HIS INFO.
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NOTE BY OC/T: NOT PASSED ONTARIO, CALIFORNIA.

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TELEGRAM

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SECRET 6860

PAGE 01 CAIRO 05419 221316Z

53
ACTION 89-30

INFO OCT-01 ISO-00 SSO-00 /031 W

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R 221130Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7903
INFO AMEMBASSY BEIRUT
AMEMBASSY AMMAN

SECRET CAIRO 5419

EXDIS

E.O. 11652: GDS
TAGS: PFOR
SUBJ: EGYPT AND PALESTINIANS

REF: CAIRO 5370 AND 5417

1. REFTELS REPORT PROLIFIC PRESS COMMENTS OF PAST TWO DAYS, INCLUDING FAHMY'S "INTERPRETATION," ON PLO-JORDANIAN RELATIONSHIP AS WORKED OUT DURING RECENT MEETING BETWEEN PRESIDENT SADAT AND KING HUSSEIN. IT IS CLEAR THAT EGYPTIANS, WHO THOUGHT THEY HAD ARRANGED A GOOD DEAL FOR THE PALESTINIANS BY PERSUADING HUSSEIN TO ACCEPT PLO JURISDICTION OVER ALL PALESTINIANS OUTSIDE JORDAN PROPER, ARE SOMEWHAT TAKEN ABACK AND EMBARRASSED BY STRONGLY ADVERSE PLO REACTION.
2. WHEN WITH FAHMY LAST NIGHT I ASKED HIM ABOUT THIS, HE CLAIMED DISUCCIONS ARE STILL GOING ON WITH PALESTINIANS TO IMPRESS UPON THEM WHAT PRESIDENT SADAT HAD ACHIEVED FOR THEM. HE WAS CLEARLY AWARE, HOWEVER, THAT PUBLICLY NEGATIVE PLO REACTION IS A SLAP AT SADAT. HE WAS RELUCTANT TO DISCUSS THE MATTER IN ANY DETAIL.
3. LATER IN THE EVENING, I SAW FONMIN UNDERSECRETARY MOHAMED RIAD. RIAD TOLD ME HE HAD MET FOR THREE HOURS YESTERDAY AND TWO HOURS THE PREVIOUS DAY WITH PLO

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PAGE 02 CAIRO 05419 221316Z

REPRESENTATIVES OF ALL COMPONENT ELEMENTS. HE DESCRIBED THEIR REACTION AS "FURIOUS" AND SAID, IN ANSWER TO MY SPECIFIC QUESTION, THAT THIS INCLUDED ARAFAT'S REPRESENTATIVE. SPECIFICALLY, PLO REPRESENTATIVES OBJECT VIGOROUSLY TO THE FACT THAT SADAT ACKNOWLEDGED HUSSEIN MIGHT SPEAK FOR PALESTINIANS IN JORDAN ITSELF. THEY CONTENDED THIS IS A BETRAYAL OF THE ALGIERS FORMULA AND INSISTED PLO MUST BE RECOGNIZED AS THE SOLE SPOKESMAN FOR ALL PALESTINIANS EVERYWHERE.

4. RIAD SAID HE HAD REMINDIED PALESTINIANS THAT SADAT HAD, IN EFFECT, OBTAINED HUSSEIN'S ACQUIESCENCE IN PLO JURISDICTION OVER PALESTINIANS IN THE WEST BANK, GAZA AND THOSE DISPLACED IN OTHER ARAB COUNTRIES. HUSSEIN'S INSISTANCE THAT HE SHOULD SPEAK FOR PALESTINIANS IN JORDAN ITSELF WAS NOT UNREASONABLE. AT SUCH TIME AS THE WEST BANK IS AGAIN UNDER ARAB SOVEREIGNTY, PALESTINIANS NOW IN JORDAN WHO WISH TO MOVE THERE TO GET OUT FROM UNDER HUSSEIN'S CONTROL ARE FREE TO DO SO. AS NOW NOW, HOWEVER, RIAD ACKNOWLEDGED, PLO REPRESENTATIVES REMAIN UNCONVINCED AND BALKY. HE EXPECTED TO HOLD FURTHER TALKS WITH THEM.

5. WHILE RIAD CONCEDED GOE HAD EXPECTED NEGATIVE REACTION FROM HABBASH, HAWATAMY, JIBRIL AND SA'IGA REPRESENTATIVES, HE WAS OBVIOUSLY SURPRISED AT FATH'S INCLUDING ARAFAT'S, EQUALLY ADVERSE REACTION. RIAD REPEATEDLY INDICATED IMPORTANCE GOE ATTACHES TO SATISFYING ARAFAT AS A "MODERATE" IN ORDER TO PREVENT THE LATTER'S LOSING CONTROL OVER FATH AND THE PLO.

6. COMMENT: RIAD'S ACCOUNT IS SOMEWHAT AT VARIANCE WITH RIFAI'S VERSION REPORTED AMMAN 4213. IN THEIR TALKS WITH THE PALESTINIANS, EGYPTIANS APPEAR TO BE TRYING TO PROJECT THE "TRUST" CONCEPT FOR GAZA AND ESPECIALLY THE WEST BANK AS A POSITIVE ACHIEVEMENT DESIGNED TO FURTHER PLO OBJECTIVES. THEY ARE CONSCIOUS THAT VIRTUALLY UNANIMOUS PALESTINIAN REJECTION OF SADAT-HUSSEIN DEAL IS POTENTIALLY DAMAGING TO SADAT'S IMAGE AND ABILITY TO INFLUENCE EVEN ARAFAT. THEY MAY BE EXPECTED TO CONTINUE THEIR EFFORTS, BUT IT WILL BE ROUGH GOING. ARAFAT IS EXPECTED

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PAGE 03 CAIRO 05419 221316Z

HERE IN NEXT FEW DAYS AND EGYPTIANS MAY HAVE TO BRACKTRACK ON THEIR
AGREEMENT WITH HUSSEIN IN ORDER TO DO SOME BADLY NEEDED FENCE MEDNING
WITH PALESTINIANS.
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TELEGRAM

PAGE 01 CAIRO 05372 201549Z

INFO OCT-01 ISO-00 /031 W

065763

S E C R E T CAIRD 5372

EXDIS

E.O. 11652: GDS
TAGS: PFOR, MARR, BA, DU, US
SUBJECT: RETAINING MIDDLE EAST FORCE IN BAHRAIN

REF: STATE 155527

GIVEN GOE RELUCTANCE TO LET IT BE KNOWN THAT IT HAS RESPONDED AFFIRMATIVELY TO A BAHRAINI REQUEST RE DESIRABILITY OF KEEPING MID-EAST FORCE IN BAHRAIN, WE WOULD NOT EXPECT GOE TO BE WILLING TAKE UP MATTER WITH KUWAITIS.

FILTS

WHITE HOUSE
SITUATION ROOM

14 JUL 22 AM 7:22

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FORM NO. 1-65

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Department of State

'74 JUL 18 PM 7:54

TELEGRAM

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SECRET 9236

PAGE 01 CAIRO 05323 181529Z

46
ACTION 88-30

INFO OCT-01 ISO-00 /031 W

035141

P 181420Z JUL 74
FM AMEMBASSY CAIRO
TO AMEMBASSY RABAT PRIORITY
INFO RUEHC/SECSTATE WASHDC PRIORITY 7844
USINT ALGIERS PRIORITY
AMEMBASSY DAMASCUS PRIORITY
AMEMBASSY JIDDA PRIORITY
AMEMBASSY MADRID PRIORITY
AMEMBASSY NOUAKCHOTT PRIORITY
USMISSION USUN PRIORITY

SECRET CAIRO 5323
ENDIS

REF: 11652: GDS
TAGS: PFOR EG SS MO
SUBJECT: EGYPTIAN POSITION ON SPANISH SAHARA

REF: RABAT 3307

1. IN RESPONSE PARA 6 REPTTEL, AMBASSADOR TOOK OPPORTUNITY OF CALL JULY 18 ON UNDER SECRETARY FOREIGN MINISTRY GHAFFAR TO ASK WHAT IS EGYPT'S POSITION ON SPANISH SAHARA. GHAFFAR SAID BOTH MOROCCONS AND SPANIARDS HAVE DISCUSSED SUBJECT WITH EGYPTIANS. GOE BELIEVED MATTER SHOULD BE RESOLVED IN ACCORDANCE WITH UN RESOLUTIONS ON NON-SELF-GOVERNING TERRITORIES AND OTHER UN PRINCIPLES. WHILE EGYPT UNDERSTOOD MOROCCO'S DESIRES ON THIS SUBJECT, THESE COULD NOT BE CONSIDERED AS SOLE BASIS FOR RESOLVING MATTER, SINCE ALGERIA AND MAURITANIA ALSO HAD INTERESTS IN SPANISH SAHARA'S FUTURE, AS DID INHABITANTS OF THE TERRITORY. GHAFFAR COMMENTED THAT HE DID NOT THINK KING HASSAN WAS IMPETUOUS, IMPLYING HE DID NOT EXPECT MOROCCO TO TAKE ANY PRECIPITOUS OR RASH ACTION IN SPANISH SAHARA.

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PAGE 02 CAIRO 05323 181529Z

2. FROM FOREGOING IT SEEMS APPARENT THAT FONMIN
LARANI HAS EXAGGERATED THE DEGREE OF EGYPTIAN
SUPPORT FOR MOROCCAN POSITION. WHETHER HE HAS DONE
SO CONSCIOUSLY AND DELIBERATELY OR WHETHER HE MAY
HAVE BEEN MISLED BY SYMPATHETIC MURMURS FROM EGYPTIANS,
WE CANNOT TELL.

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SITUATION ROOM
Department of State

74 JUL 18 PM 7:54

TELEGRAM

SECRET 8833

PAGE 01 CAIRO 05307 181257Z

47
ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

033436

O 181220Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 7832

INFO AMEMBASSY JIDDA IMMEDIATE

S E C R E T CAIRO 5307

EXDIS

JIDDA PLEASE PASS SIMON PARTY

R.O. 1652: GDS

TARS: ECON EG EAGR PFOR

SURJ: EGYPTIAN ARREARAGES; EMBASSY RECOMMENDATIONS

1. IN PREPARATION FOR CALL ON CENTRAL BANK VICE
CHAIRMAN WHICH UNDER SECRETARY BENNET ARRANGED
FOR ENBOFF DURING HIS DISCUSSION WITH CENTRAL BANK
CHAIRMAN AHMAD ZENDOU JULY 16, WE HAVE BEEN GOING
OVER THE AMOUNT OF ARREARAGES OWED BY GOE, BEARING
IN MIND ZENDOU STATEMENT TO BENNET THAT GOE IS
"CURRENT ON ALL DEBTS." ACCORDING TO OUR LOAN
RECORDS, THE FIFTY-SIX MILLION PLUS FIGURE WHICH IS
FOUND IN BRADFIELD'S TABLE HEADED QUOTE PAST DUE BILLINGS
AS OF MAY 31, 1974 ON AID LOANS TO EGYPT UNQUOTE
REPRESENTS A DOLLAR FIGURE FOR POUND
LOANS WHICH WERE MADE TO GOE UNDER PL-480
SECTION 1040; LATTER ARE RELOANS TO GOE
OF THE POUNDS ORIGINALLY PAID TO THE
US FOR PL 480 COMMODITIES. GOE HAS BEEN PAYING
REGULARLY THE INTEREST ON THESE AMOUNTS SINCE
1968/69 BUT HAS PAID NO PRINCIPAL. WE SUSPECT THAT IN
CENTRAL BANK TERMINOLOGY THE PAYMENT OF INTEREST ON
THESE RECYCLED LOANS REPRESENTS "KEEPING CURRENT"
ON THIS DEBT. (FYI: EMBASSY ACCOUNTANTS POINT

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TELEGRAM

PAGE 02 CAIRO 0530Z 181257Z

2. IN ADDITION WE HAVE JUST RECEIVED UPDATED
DEPARTMENT OF AGRICULTURE PAST DUE BILLINGS WHICH
SHOW A FIGURE OF ABOUT 460 THOUSAND DOLLARS DUE
ON CCC LETTERS OF CREDIT. FURTHER EXAMINATION OF
THIS FIGURE REVEALS, HOWEVER, THAT EXCEPT FOR
GSM 11260 AND GSM 9966 ALL ARREARAGES SEEM TO
REPRESENT ADDITIONAL INTEREST ACCRUING ON PRINCIPAL
AND INTEREST DURING PERIOD OF FEW WEEKS FROM DUE
DATE TO TIME THAT GOS ACTUALLY MADE PAYMENT.
CENTRAL BANK, THEREFORE, PROBABLY ALSO CONSIDERS
THESE "CURRENT" (ABOVE TWO EXCEPTIONS MAY
REPRESENT PROBLEMS WITH FULFILLING TERMS OF LETTER
OF CREDIT OF WHICH WE ARE UNAWARE.)

4. WE REQUEST WASHINGTON CONFIRMATION OF OUR READING OF DETAILS OF GOE ARREARAGES. IF CORRECT, WE BELIEVE WE SHOULD NOT PRESS GOE ONPAYMENT OF LATE INTEREST AT THIS TIME. WE SUGGEST AGENCIES INVOLVED SUBMIT CONSOLIDATED BILL FOR LATE INTEREST AND THEN IF THERE IS NO ACTION ON THIS, EMBASSY WILL MAKE FURTHER REPRESENTATIONS.

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TELEGRAM

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PAGE 03 CAIRO 05307 181257Z

PAYING THE INTEREST
CHARGES AND THAT INDEED THE USG IS GETTING MORE
ACTUAL REVENUE FROM THIS METHOD OF HANDLING THE
SECONDARY DEBT THAN IF WE WERE TO DEMAND PAYMENT
OF THE PRINCIPAL. (SEE FYI SECTION OF PARAGRAPH
ONE).
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TELEGR

PAGE 01 CAIRU 05633 291505Z

INFO OCT-01 ISO-00 SSO-00 /031 W

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WHITE HOUSE
STATION
JUL 29 PM 7:41
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F.O. 11652: GDS
TAGS: PFOR EG XF
SURJ: EGYPTIAN-SOVIET SUMMIT

1. RE PYRILIN'S OBLIQUE REFERENCE TO POSSIBLE VISIT TO EGYPT OF SOVIET LEADERS OTHER THAN BREZHNEV, I RECALL PRESIDENT SADAT TOLD ME TWO MONTHS AGO THAT THE SOVIETS HAD PROPOSED THAT PODGORNYY VISIT CAIRO.

SADAT INDICATED HE HAD STRATEGICALLY REJECTED SUGGESTION. HE WOULD NOT RECEIVE A SOVIET LEADER, HE TOLD ME, WHO HAD PUBLICLY DENIGRATED THE COMPETENCE OF THE EGYPTIAN ARMED FORCES. HE DID NOT ELABORATE ON WHEN THIS SUPPOSEDLY TOOK PLACE, BUT I RATHER GATHERED IT WAS ON RECENT PODGORNYY TRIP TO TURKEY. GIVEN THE PRESIDENT'S STRONG FEELINGS ON THIS SCORE, I WOULD THINK THAT UNLESS PODGORNYY PUBLICLY APOLOGIZES, EGYPTIANS ARE NOT LIKELY TO RECEIVE HIM IN CAIRO.

2. IN ANY CASE, PRESIDENT SADAT BELIEVES THAT AFTER ALL OF HIS PAST VISITS TO MOSCOW, BREZHNEV OWES HIM AN OFFICIAL VISIT TO CAIRO.

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RM DS-1652

The seal of the United States Department of State, featuring an eagle with wings spread, holding an olive branch and arrows, with a shield on its chest. Above the eagle is a constellation of stars. The words "DEPARTMENT OF STATE" are arched above the eagle, and "UNITED STATES OF AMERICA" is arched below it. Small stars flank the central emblem.

TELEGRAM

WA

PAGE 01 CAIRO 05200 01 OF 02 160846Z

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

0 60800Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 7775
SECTREASURY WASHDC IMMEDIATE

EXDIS

1. SECRETARY SIMON ACCOMPANIED BY AMBASSADOR, UNDER SECRETARY BENNET, ASSISTANT SECRETARY PARKSY AND OTHER MEMBERS OF PARTY, MET WITH MINFIN ABDEL FATAH AND SEVERAL AIDES FOR ONE HOUR AND FIFTEEN MINUTES ON JULY 15, FOLLOWING MEETING WITH DEP NRIMIN HEGAZI. SESSION CONSISTED OF EXCHANGE OF INFORMATION IN CORDIAL ATMOSPHERE.

3. SECRETARY SIMON EMPHASIZED THAT THE PURPOSE OF HIS VISIT WAS TO EXPLORE MEANS BY WHICH WE COULD ASSIST EGYPT IN STRENGTHENING ITS FINANCIAL SITUATION. THE US IS DETERMINED TO BE OF HELP, BUT HE HAD COME TO LEARN HOW

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The seal of the United States Department of State. It features an eagle with wings spread, perched on a shield with vertical stripes. Above the eagle's head is a circular emblem containing a constellation of stars. The words "DEPARTMENT OF STATE" are arched above the eagle, and "UNITED STATES OF AMERICA" is arched below it, separated by two small stars.

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THIS MIGHT BE DONE, NOT TO GIVE A LECTURE.

4. UNDER SECRETARY BENNET WAS THEN ASKED TO COMMENT ON THE SUBJECT OF EXTERNAL DEBT AND STABILITY. HE RECALLED THE WORLD BANK'S STRESS ON "CONDITION" FOR MAXIMUM ASSISTANCE FROM THE IBRD AND OTHER INTERNATIONAL ORGANIZATIONS: ARRANGE REALISTIC PRIORITIES, IN USE OF FOREIGN EXCHANGE TO MAKE OPTIMUM USE OF EXISTING IDLE EQUIPMENT, REDUCE RELIANCE ON SHORT TERM FOREIGN DEBT, WHILE AT THE SAME TIME SEEKING FINANCIAL ASSISTANCE FROM OTHER POTENTIAL DONORS.

5. BENNET SUGGESTED THAT ONE SIMPLE MEASURE TO IMPROVE EGYPT'S CREDIT STANDING IN GENERAL AND SPECIFICALLY TO FACILITATE ASSISTANCE FROM THE US IN TERMS OF FAVORABLE CONGRESSIONAL ACTION ON THE AID FUNDS REQUESTED FOR EGYPT AS WELL AS A MORE ACTIVE EXIM PROGRAM, WOULD BE TO "CLEAR THE SLATE" OF THE SMALL REMAINING DEBTS TO THE US. THIS COULD EASILY BE DONE IMMEDIATELY WITH NO APPRECIABLE ECONOMIC COST TO EGYPT. IN RELATION TO THE \$56 MILLION

IN LOC CURRENCY IN ARREARS. BENNET POINTED OUT THAT THE US ALREADY HOLDS MORE EGYPTIAN POUNDS THAN IT IS LIKELY TO USE IN THE NEAR FUTURE, SO THAT REPAYMENT NOW WOULD MERELY CHANGE A PAYABLE FROM THE GOE TO A PAYABLE BY A BANK OWNED BY THE GOE. IN OTHER WORDS REPAYMENT WOULD BE IN REALITY ONLY A BOOKKEEPING CHANGE. THE PAYMENT WOULD,

HOWEVER, DO AWAY WITH ONE LARGE AREA IN WHICH THE GOE IS IN DEFAULT. HE ALSO POINTED OUT THAT THE \$300,000 NOW IN ARREARS ON DOLLAR DEBT IS SO SMALL THAT IT IS RIDICULOUS

FOR THE GOE NOT TO IMPROVE ITS RATING BY COMPLETER PAYMENT.

6. BENNET WENT ON TO SAY THAT THE US WOULD LIKE TO WORK WITH THE GOE IN OTHER WAYS TO ATTEMPT TO IMPROVE ITS CREDIT RATING. HE POINTED OUT THAT IN TALKING WITH OTHER GOVERNMENTS IT WAS IMPORTANT TO STRESS PROSPECTS AND OPPORTUNITIES OVER TIME WITHOUT GIVING THE IMPRESSION THE GOVERNMENT'S FINANCES ARE NOW IN EXTREMES. IN THIS CONNECTION, HE ADDED, IT WOULD BE HELPFUL IF EVERYONE KNEW WHAT THE DEBT

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Department of State **TELEGRAM**

SECRET

PAGE 03 CAIRO 05200 01 OF 02 160846Z

BURDEN WAS, SINCE THERE IS A TENDENCY TO THINK IT IS FAR LARGER, WHEN IT IS A SECRET.

7. AT THIS POINT, ABDEL FATAH PRODUCED A FILE AND BEGAN TO READ OFF A SERIES OF NUMBERS THAT HE SAID WERE HIS MINISTRY'S FIGURES ON THE SUBJECT. THOSE PRESENT AT THE MEETING DID NOT AGREE FULLY AS TO JUST WHAT HE SAID, DUE TO A NUMBER OF PROBLEMS RELATED TO HIS PRESENTATION, BUT THE IMPRESSION WAS THAT THE FOREIGN CURRENCY DEBT IS NOW ABOUT LE ONE BILLION, NOT INCLUDING MILITARY ASSISTANCE FROM THE BLOC. ABDEL FATAH STATED HE WAS PREPARED TO FURNISH A COPY OF THE DATA, WHICH THE GOE CONSIDERS CONFIDENTIAL. THE EMBASSY WILL FOLLOW UP ON THIS POINT. PRESENT PLANS ARE TO PUBLISH SUCH INFORMATION ONLY WHEN THE NEW LONG-TERM PLAN IS PUBLISHED.

8. THE MINISTER THEN SPOKE BRIEFLY ABOUT DEVELOPMENT PLANS, AND SAID THAT EGYPT HOPES TO HAVE A FIVE-YEAR PLAN (1976-1980) BY THE END OF THIS YEAR. 1975 ITSELF WILL BE DEVOTED TO FINISHING THE PROJECTS LEFT INCOMPLETED FROM PAST YEARS.

9. SECRETARY SIMON POINTED OUT THAT THE US CAN OFFER ASSISTANCE TO HELP PUT THE PLAN IN PLACE, THROUGH THE ASSIGNMENT OF EXPERIENCED PERSONNEL WITH TECHNICAL ABILITIES IN THE NECESSARY FIELDS. HE THEN ASKED MR. NOOTER FOR A DESCRIPTION OF THE CURRENT STATUS OF THE AID PROGRAM.



TELEGRAM

PAGE 01 CAIRO 05200 02 OF 02 160915Z

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

130672

O 160000Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 7774
SECTREASURY WASHDC IMMEDIATE

~~SECRET~~ SECTION 2 OF 2 CAIRO 5200

EXDIS

10. NOOTER WENT QUICKLY OVER THE SITUATION IN CONGRESS AND DETAILED PRESENT THINKING ON THE USE TO WHICH THE PROPOSED \$250 MILLION WOULD BE PUT. (THE MINISTER AND HIS STAFF TOOK NOTES ON THE DIFFERENT FIGURES). HE ALSO DISCUSSED THE STEPS THAT WILL BE TAKEN TO EXPLAIN AID'S SYSTEM AND PROCEDURES AND ASSIST THE EGYPTIAN SIDE IN WORKING WITH THEM. NOOTER WENT ON TO SAY THAT HE WOULD BE RETURNING TO EGYPT IN A SHORT TIME TO TAKE A BETTER LOOK AT WHAT THE US CAN DO, IN PARTICULAR WITH REGARD TO THE \$150 MILLION EARMARKED FOR SUEZ RECONSTRUCTION.

11. AT THIS POINT, SECRETARY SIMON ASKED WHAT EGYPT'S PRIORITIES WERE IN THE SUEZ AREA. ABDEL FATAH REPLIED THAT THE FIRST ORDER OF BUSINESS WAS THE INFRASTRUCTURE OF THE SUEZ AREA, SPECIFICALLY THE PORTS THEN TRANSPORTATION AND COMMUNICATION. FOR THE NATION AS A WHOLE, HE ADDED, FIRST PRIORITY HAD TO BE THE RESTORATION OF IDLE INDUSTRIAL CAPACITY RELATED TO EXPORT INDUSTRIES, AND THEN FOR IMPORT SUBSTITUTION INDUSTRIES. THE EXPANSION OF THE PARALLEL MARKET WOULD BE OF ASSISTANCE IN THIS EFFORT HE SAID, AS WELL AS THE NEW INVESTMENT LAW.

12. SECRETARY SIMON MENTIONED THAT UNTIL THIS MORNING HE HAD THOUGHT THAT A FOREIGN INVESTOR COULD ONLY REPATRIATE 60 PERCENT OF HIS PROFIT, BUT HE HAD

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Department of State **TELEGRAM**

SECRET

PAGE 02 CAIRO 05200 02 OF 02 160915Z

BEEN TOLD IN THE MEETING WITH HEGAZI THAT THIS WAS NOT TRUE; EACH CASE WAS HANDLED SEPARATELY. IT COULD, UNDER CERTAIN CIRCUMSTANCES, BE ALL OF THE PROFIT, WITH A SMALL PART SET ASIDE FOR REINVESTMENT. THE MINISTER AGREED THAT THIS WAS THE CASE AND GAVE SECRETARY SIMON A COPY OF THE NOT-YET RELEASED ENGLISH TRANSLATION OF THE LAW.

13. MR. PARSKY SUGGESTED THAT A NEW MECHANISM MIGHT BE NEEDED TO ASSIST IN PUTTING US CAPITAL AND KNOW-HOW AND EGYPTIAN NATURAL RESOURCES AND LABOR TOGETHER. SECRETARY SIMON STATED THAT IT SEEMED TO HIM THERE IS A NEED FOR A NEW MECHANISM TO AID IN THE PREPARATION OF PROPER FEASIBILITY STUDIES FOR PROJECTS, SO AS TO HAVE TIME AND EFFORT. ABDEL FATAH REPLIED THAT SUCH MECHANISMS DID EXIST, FOR EXAMPLE THE AGENCY FOR ARAB AND INTERNATIONAL ECONOMIC COOPERATION, BUT WILL NEED STRENGTHENING.

14. THE MINISTER WENT ON TO SAY THAT THE GOE COULD USE HELP IN OTHER FIELDS AS WELL, CITING IN PARTICULAR THE PROBLEM OF PREPARING THE BUDGET. HE WOULD LIKE TO HAVE PERFORMANCE BUDGETS ON STATE ENTERPRISES, HE SAID WHICH WOULD GIVE HIM A BETTER OPPORTUNITY TO DETERMINE HOW AN ORGANIZATION IS REALLY DOING, RATHER THAN THE SERIES OF NON-DESCRIPTIVE ESTIMATES HE NOW RECEIVES. SECRETARY SIMON SAID THAT THE JOINT WORKING GROUPS WOULD PROVIDE AN OPPORTUNITY TO WORK ON SUCH PROBLEMS. HE SUGGESTED THAT THESE GROUPS IN HIS VIEW SHOULD PROBABLY BE REORDERED TO ACCOMPLISH THEIR PURPOSE AND THAT HE WOULD WISH TO DISCUSS THAT SUBJECT FURTHER. HE THEN ASKED ASST GENERAL COUNSEL BRADFELD TO DISCUSS THE POSSIBLE ADVANTAGES OF A TAX TREATY BETWEEN THE TWO COUNTRIES.

15. BRADFELD SAID SUCH A TREATY ACTS AS AN INCENTIVE TO PRIVATE INVESTMENT SINCE IT HELPS A BUSINESSMAN KNOW IN ADVANCE WHAT THE TAX SITUATION IS, PARTICULARLY IN COMPLICATED BUSINESS SITUATION INVOLVING SUBSIDIARIES AND LICENSING ARRANGEMENTS. KNOWLEDGE OF SUBJECTS LIKE RATES AND KINDS OF TAXES ARE VERY HELPFUL TO BUSINESSMEN AND ALSO FACILITATE EXCHANGES OF TEACHERS AND SCIENTIST. WOULD ALSO BE OF POTENTIAL BENEFIT.

The seal of the United States Department of State is located at the top center of the page. It features an eagle with wings spread, perched on a shield with vertical stripes. Above the eagle's head is a circular emblem with a sunburst and stars. The words "DEPARTMENT OF STATE" are arched above the eagle, and "UNITED STATES OF AMERICA" is arched below it. Two small stars flank the central emblem.

SECRET

16. THE MINISTER AGREED AND SAID THAT THE GOE IS CURRENTLY
REDOING ITS TAXES. HE IS TO SUBMIT A NEW TAX LAW TO THE
PEOPLE'S ASSEMBLY BY OCTOBER TO REPLACE THE FIVE DIFFERENT
SCHEDULES OF TAXES, EACH WITH A SEPARATE INSPECTION FORCE.
THERE IS NO REAL PERSONAL INCOME TAX AT PRESENT, HE ADDED,
SINCE ITS ACCOUNTS FOR ONLY ABOUT FIVE PERCENT OF TOTAL
TAX REVENUES. THE GOE EXPECTS TO INCREASE TAX
REVENUES SUBSTANTIALLY IN THE NEAR FUTURE, MAINLY THROUGH
IMPROVED
COLLECTION PROCEDURES. THE MEETING ENDED WITH
A SUGGESTION THAT A REPRESENTATIVE OF THE MINISTRY
COME TO
THE US VERY SOON TO DISCUSS TAX ADMINISTRATION.

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TELEGRAM

WHITE HOUSE
SITUATION ROOM
JUL 16 AM 8:19

70
ACTION 88-30

124488

C O N F I D E N T I A L CAIRO 5194

74513

NO 116521 XGDS-1
TAGS: OVID (SIMON, WILLIAM)
SUBJECT: WAIT BUY-BACK NEGOTIATIONS

REF ID: A662

1. CABLE NO 11652 ON KUWAIT BUY-BACK NEGOTIATIONS SEEMS INCONSISTENT WITH OUR RECENT CONVERSATION. PLEASE GIVE IMMEDIATE CLARIFICATION.

2. PLEASE ADVISE WHAT POSITIONS I SHOULD TAKE
TOWARD THE KUWAITIS AND SPECIFICALLY WHAT I SHOULD
ASK THEM TO DO.
FILTS

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WHITE HOUSE
SITUATION ROOM
JUL 16 AM 8:19
74

PAGE 01 CAIRO 05189 151923Z

INFO OCT-01 ISO-00 SSO-00 NSCE-00 CCO-00 /031 W
..... 123903

S E C R E T CAIRO 5189

E.O. 11652: GDS
TAGS: MARR, PFOR, US, NAA.
SUBJECT: COM MID-EAST FORCE.

2. HE ASKED THAT THIS INFORMATION BE CLOSELY HELD. OUT KNOWLEDGE OF IT SHOULD NOT RPT NOT BE MENTIONED TO BAHRAINIS. I EXPRESSED OUR APPRECIATION FOR EGYPTIAN HELPFULNESS.

EILTS

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Department of State

TELEGRAM

CONFIDENTIAL 2218

PAGE 01 STATE 163982

72
ORIGIN SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 R

DRAFTED BY NEA/EGY: LWSEMAKIS: NEA: HHS SAUNDERS: EMP
APPROVED BY NEA: ALFRED L. ATHERTON, JR.
USAEC/IP/EUR: GLHELFRIKH
SCI/AE: RTWEBB
P - MR. SISCO (SUBS)
S/S-O: K KURZE

017952

O 280001Z JUL 74 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO NIACT IMMEDIATE

C O N F I D E N T I A L STATE 163982

EXDIS

E.O. 11652: GDS
TAGS: TSPA, EG
SUBJECT: NUCLEAR ENERGY AGREEMENT

REF: (A) CAIRO 5523; (B) CAIRO 5584

1. YOU SHOULD INFORM SIRRI THAT WE AGREE IT WOULD BE GOOD IF PROPOSED AGREEMENT COULD BE SIGNED WHEN FAHMY AND SULTAN ARE HERE IN EARLY AUGUST. WHILE AS PRACTICAL MATTER IT WILL BE DIFFICULT TO COMPLETE NECESSARY ARRANGEMENTS BY AUGUST 12, WE ARE WILLING TO MAKE MAJOR EFFORT, BUT WE MUST ASK EGYPTIAN UNDERSTANDING THAT WITH BEST WILL ON ALL SIDES IT MAY NOT BE POSSIBLE TO TAKE ALL NEEDED STEPS BEFORE VISIT.

2. FOLLOWING ARE MAIN CONSIDERATIONS INVOLVED:

A. AS EGYPTIAN SIDE KNOWS, FOR IMPORTANT TACTICAL REASONS U.S. POLICY IS TO MOVE FORWARD ON NEGOTIATIONS AS QUICKLY AS POSSIBLE, WHILE KEEPING EGYPTIAN AND ISRAELI AGREEMENTS MORE OR LESS PARALLEL. WE DO NOT YET HAVE

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CONFIDENTIAL

PAGE 02 STATE 163982

ISRAELI REACTION TO DRAFT TEXT OF AGREEMENT, AND OUR LATEST INDICATIONS ARE THAT KEY ISRAELIS WORKING ON THIS ARE AWAY AT THIS MOMENT. HOWEVER, WE WILL GO BACK TO THEM. FOR OBVIOUS REASONS, IT IS PREFERABLE FOR ALL CONCERNED THAT WE BE IN A POSITION TO SUBMIT THE AGREEMENTS AND NOTES FOR BOTH COUNTRIES TO CONGRESS AT ABOUT THE SAME TIME.

B. WE WILL NEED EGYPTIAN VIEWS ON AMENDED VERSION OF TEXT ORIGINALLY SUBMITTED TO EGYPTIANS FOR CONSIDERATION INCLUDING ADDITIONAL SAFEGUARDS WHICH ARE ESSENTIAL TO US.

C. PROCEDURES FOR SUCH SIGNINGS INVOLVE: 1) INITIALING OF AGREED TEXT BY REPRESENTATIVES OF EMBASSY CONCERNED, DEPARTMENT OF STATE, AND AEC; 2) SUBMISSION OF TEXT TO PRESIDENT NIXON FOR HIS APPROVAL AND DELEGATION OF AUTHORITY TO STATE DEPARTMENT AND AEC TO SIGN FOR USG. AFTER SIGNING, AGREEMENT IS THEN SUBMITTED TO JOINT COMMITTEE ON ATOMIC ENERGY OF CONGRESS FOR REVIEW.

D. FINALLY, IF ALL OF THESE STEPS CAN BE COMPLETED, WE WILL WANT TO DISCUSS TOGETHER DURING FOREIGN MINISTER'S VISIT TWO TACTICAL POINTS. FIRST IS QUESTION OF WHETHER WE SHOULD PRESS AHEAD WHILE CONGRESS STILL DELIBERATING ON AID BILL OR WHETHER WE SHOULD LET DUST SETTLE A BIT ON THIS PROJECT, COMPLETE CONGRESSIONAL ACTION ON AID BILL AND THEN MOVE AHEAD. SECOND IS WHETHER FAHMY WISHES RISK HIGHLY VISIBLE SIGNING WHEN IT STILL POSSIBLE FOR CONGRESS TO BLOCK AGREEMENT DURING REVIEW PERIOD. ALTERNATIVE IS QUIET SIGNING WITH EMPHASIS ON ANNOUNCEMENT WHEN REVIEW PERIOD OVER, POSSIBLY AT TIME PRESIDENT SADAT'S VISIT.

3. AT CONCLUSION YOUR DISCUSSION, PLEASE EMPHASIZE IMPORTANCE OF KEEPING OUR OPTIONS OPEN ON SIGNING BECAUSE PROCEDURES MAY NOT BE COMPLETED IN TIME DESPITE BEST EFFORT AND BECAUSE SECRETARY AND FOREIGN MINISTER MAY TOGETHER DECIDE IT TACTICALLY BETTER TO GO MORE SLOWLY. ALONG THESE LINES, IT WOULD BE WISE ON BOTH SIDES TO DISCOURAGE PRESS SPECULATION ON TIMING

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Department of State

TELEGRAM

CONFIDENTIAL

PAGE 03 STATE 163982

OF SIGNING. AND WE WILL TAKE THIS APPROACH!

4. FYI. PRESSING DEMANDS OF CYPRUS CRISIS AND OTHER CRITICAL MATTERS HAVE DELAYED ACTION ON STRATEGY PAPER AND SUGGESTED LETTER TO SULTAN. NEVERTHELESS, IN MEETING WITH SULTAN BELIEVE YOU SHOULD TACTFULLY CONVEY THE THOUGHTS IN THE PROPOSED SISCO/SULTAN LETTER, PARTICULARLY ON QUESTION OF FINANCING. AGAIN, OUR VIEW IS THAT IT MAY BE TACTICALLY BETTER TO LET EGYPTIANS TRY IN THIS U.S. FISCAL YEAR TO DO WHAT IS NECESSARY WITH NON-US FUNDING WHILE WE TAKE TIME TO SET PRIORITIES AND PAVE WAY FOR CONSIDERATION OF SOME US FINANCIAL PARTICIPATION LATER. WE KNOW YOU WILL PUT THIS IN MOST POSITIVE LIGHT POSSIBLE. END FYI.
INGERSOLL

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EXDIS
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Department of State **TELEGRAM**

CONFIDENTIAL 9442

PAGE 01 STATE 152066

61
ORIGIN SS-30

INFO OCT-01 ISO-00 SSO-00 TRSE-00 /031 R

DRAFTED BY S/S-OIRKUCHELIRAM
APPROVED BY NEA:AATHERTON(DRAFT)

116442

O 150239Z JUL 74 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO NIACT IMMEDIATE

C O N F I D E N T I A L STATE 152066

EXDIS

E.O. 11652:GDS
TAGS: PFOR, SA, EG
SUBJECT:SAUDI-EGYPTIAN DISCUSSIONS.

AMBASSADOR FOR TREASURY SECRETARY SIMON

JIDDA 4022 AND STATE 152037 ARE BEING REPEATED TO YOU,
WHICH TOGETHER WITH JIDDA 3959, TEL AVIV 3874 AND STATE
151938 (ALL THREE PREVIOUSLY-SENT CAIRO AS INFORMATION
ADDRESSEE) SHOULD BE READ IN CONJUNCTION WITH SRF MESSAGE
BEING SENT FOR YOUR AND SECRETARY SIMON'S ATTENTION. KISSINGER

74 JUL 15 AM 8.21

WHITE HOUSE
311-2110-2000M

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TELEGRAM

'74 JUL 13 AM 9:41

CONFIDENTIAL 7413

PAGE 01 ESTATE 151561

87
ORIGIN 55-30

INFO OCT-001 ISO-00 SSO-00 NSCE-00 /031 R

DRAFTED BY CG-TOENDERS/LS
APPROVED BY EG - TOENDERS
FEA - MR. SANHILL (SUBS)
S/Sgt. P. P. GARROS

106653

0 130009Z JUL 74
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO IMMEDIATE

C O N F I D E N T I A L STATE 151561

02-1-98

F.O. 11652:MGDS =1
YAGS: ENRE
SUBJECT:KUWAIT BUY-BACK NEGOTIATIONS

FOR SECRETARY? SINON FROM ENDERS

1. YOU WILL HAVE SEEN LONDON 08883, WHICH REPORTED THAT GULF OIL KNUCKLED UNDER TO ATIGI IN THE BUY BACK DISCUSSIONS.
2. IN YOUR ABSENCE KEN RUSH HAS AGREED TO ASK TOM DORSEY TO SAN CLEMENTE TOMORROW MORNING TO JAW-BONE THE ISSUE. SAWHILL IS JOINING THEM.
3. ONE IDEA WHICH OCCURRED TO ME IS THAT THERE MIGHT BE SOMEWAY FOR THE SAUDI'S TO GIVE ASSURED ACCESS TO GULF FOR THE AUCTION, SHOULD KUWAIT GO THROUGH WITH THEIR THREAT TO CLOSE GULF OUT.
4. WILL GET YOU A REPORT OF THE RESULT. KISSINGER

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Department of State

TELEGRAM

SECRET

1

O 081720Z AUG 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 8244
BT
SECRET CAIRO 5972

2026Q
AUGUST 8, 1974
1:45 PM

NODIS/CHEROKEE

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR, EG, US
SUBJECT: MESSAGE TO PRESIDENT SADAT

REF: STATE 172874

PRESIDENT SADAT IS STILL IN ALEXANDRIA AND REF SUBJECT IS NOT ONE
I WOULD WANT TO DISCUSS EVEN ON EGYPTIAN "SECURE" PHONE.
ACCORDINGLY, I WILL TRAVEL TO ALEXANDRIA BY CAR TOMORROW MORNING
AND TRY TO SEE THE PRESIDENT THERE. WILL REPORT SOON AS I CAN
ASCERTAIN HIS VIEWS.

EILTS

BT
#5972

SECRET

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NIXON PRESIDENTIAL MATERIALS PROJECT
DOCUMENT CONTROL RECORD

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NUMBER 2 ON EITHER THE DOCUMENT WITHDRAWAL RECORD
(GSA FORM 7279 OR NA FORM 1421) OR NARA WITHDRAWAL SHEET.
(GSA FORM 7122) LOCATED IN THE FRONT OF THIS FILE FOLDER.



SECRET

TELEGRAM

O 041725Z AUG 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 8135
BT
SECRET CAIRO 5805

CONTROL: 8 5 7 Q
RECD: 4 AUG 74Z 17 42

NODIS/CHEROKEE

FOR THE SECRETARY FROM AMBASSADOR

EO 11652: XGDS-3
TAGS: PFOR, EG, US
SUBJ: MESSAGE TO PRESIDENT SADAT

REF: STATE 169712

1. REFMSG ARRIVED LATE THIS AFTERNOON. I WAS ABLE TO MEET WITH FAHMY AT HIS HOME THIS EVENING TO DELIVER IT. HE READ IT AND EXPRESSED SATISFACTION WITH ITS CONTENTS. HE SAID HE WILL "DISCUSS IT" WITH THE PRESIDENT IN ALEXANDRIA LATER THIS EVENING AND ASKED THAT I GIVE SIRRI A COPY TO FORWARD BY COURIER TOMORROW.

2. SUBSEQUENTLY, WHEN I WAS WITH SIRRI, FAHMY TELEPHONED TO CHGE HIS TRANSMITTAL INSTRUCTIONS. HE HAD APPARENTLY SPOKEN WITH THE PRESIDENT AND NOW WANTED IT SENT RIGHT AWAY. SIRRI IS DOING SO.

EILTS

BT
#5805

SECRET

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Department of State

TELEGRAM

SECRET

CONTROL: 848Q
RECD: AUG 4, 1974
1338Z

O 041300Z AUG 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 8132
BT
SECRET CAIRO 5801

NODIS/CHEROKEE

FOR THE SECRETARY FROM THE AMBASSADOR

EO 11652: XGDS-3
TAGS: PFOR EG US
SUBJECT: MESSAGE TO FAHMY

1. I MET WITH FAHMY AT HIS CABIN IN ALEXANDRIA LATE YESTERDAY AFTERNOON. ASHRAF MARWAN WAS ALSO THERE. AFTER FIRST RECALLING OUR SEVERAL DISCUSSIONS OF THE PAST TWO WEEKS OR SO, I GAVE HIM YOUR LETTER, POINTING OUT THAT IT CONTAINED ANSWERS TO HIS SEVERAL QUERIES.

2. HE AND MARWAN READ THE LETTER WITH CARE. IN FACT, THEY WENT OVER IT WORD BY WORD. FAHMY, DESPITE SOME INITIAL CARPING THAT IT CONTAINED NOTHING NEW, FINISHED BY DESCRIBING IT AS VERY HELPFUL. HE WAS PARTICULARLY PLEASED ABOUT TWO POINTS: FIRST, THE PARAGRAPH INDICATING THAT THE PRESIDENT AND YOU WILL DO YOUR UTMOST IN URGING THE CONGRESS TO PROVIDE THE FULL AMOUNT OF AID FOR EGYPT THAT HAS BEEN REQUESTEDPM SECOND, YOUR STATEMENT THAT REGARDLESS OF WHAT THE SOVIETS MAY BE SAYING, OUR EGYPTIAN FRIENDS CAN BE CONFIDENT THAT WE WILL DO WHAT WE HAVE SAID WE WILL DO. MARWAN ECHOED FAHMY'S POSITIVE REACTION TO THE LETTER. FAHMY GAVE IT TO MARWAN TO SHOW TO THE PRESIDENT LATER IN THE EVENING.

3. IN CONNECTION WITH THE LAST SUBSTANTIVE PARAGRAPH ABOUT MY GOING TO WASHINGTON OR STAYING HERE, FAHMY WAS A BIT EMBARRASSED THAT I HAD REPORTED TO YOU OUR PREVIOUS CONVERSATION ON THE SUBJECT. I TOLD HIM THAT I HAD TO DO SO. I RECALLED WE HAD PREVIOUSLY GONE THROUGH THE BUSINESS OF WHERE I SHOULD BE ON SEVERAL SIMILAR OCCASIONS WHEN HE WAS AWAY. SINCE IT WAS IMPORTANT FOR PLANNING PURPOSES ON THE WASHINGTON SIDE, YOU HAD TO KNOW WHAT OUR EGYPTIAN FRIENDS' CURRENT THINKING ON THIS MIGHT BE. FAHMY ULTIMATELY ACCEPTED

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Department of State

TELEGRAM

SECRET

-2-CAIRO 5801, AUG 4

THIS AND AGAIN INDICATED THAT HE THOUGHT THE PRESIDENT WOULD PREFER ME TO BE HERE AND AVAILABLE IF NEEDED. HE NOTED THAT WITH HIMSELF, SIRRI AND MARWAN OUT OF THE COUNTRY, MY PRESENCE HERE IS THE ONLY SECURE LINK THE PRESIDENT HAS TO US IN THE EVENT THERE IS NEED TO CONVEY SOME URGENT MATTERS AND MADE THE ODD OBSERVATION, "YOU KNOW THE PRESIDENT BETTER THAN I DO."

EILTS

SECRET



Copy 9 of 12 copies

Department of State

TELEGRAM

SECRET

0 020500Z AUG 74 ZFF-4
FM AMEMBASSY CAIRO
TO HCEHCR/AMEMBASSY TEL AVIV IMMEDIATE 3983
INFO RUEHC/SECSTATE WASHDC IMMEDIATE 8113
BT
S E C R E CAIRO 5765

Control: 0390Q

Recd: August 2, 1974
5:51 AM

NODIS CHEROKEE

E.O. 1 11652: XGDS
TAGS: PFOR, EG, US, IS
SUBJ: PHOTOGRAPHIC MONITORING REPORT OF SUEZ
DISENGAGEMENT AREA

REF: STATE 178308

FROM AMBASSADOR

1. WE ARE UNABLE PRESENT REFERENCED REPORT TO GOE
TODAY AUG 2. APART FROM IT BEING FRIDAY, THE MOSLEM
SABBATH WHEN EGYPTIANS ARE NOT AT THEIR OFFICES, WE
UNDERSTAND GAMASY IS AT PRESENT IN ALEXANDRIA IN CONNECTION
WITH FAYSAL VISIT. MINWAR ISMAIL HAS NOT BEEN SEEN FOR
PAST WEEK OR SO AND THERE ARE SUGGESTION HE IS ILL.
DATT IS CURRENTLY IN ALEXANDRIA IN CONNECTION WITH
USS LITTLE ROCK VISIT AND WILL RETURN LATER ODAY. HE
WILL UPON HIS RETURN MAKE ARRANGEMENTS FOR DELIVERY. WILL
ADVISE WHEN TIME HAS BEEN FIXED.

2. FOR DEPARTMENT: WOULD APPRECIATE A LITTLE MORE
LEAD TIME IN CONNECTION WITH INSTRUCTIONS FOR DELIVERING
SUCH MONITORING REPORTS. IT IS ALWAYS DIFFICULT TO
GET EGYPTIAN OFFICIALS AT SHORT NOTICE AND DURING THE
MONTH OF AUGUST THERE IS NORMALLY EXODUS OF SENIOR GOE
OFFICIALS FROM CAIRO TO ALEXANDRIA. WE HAVE NO SECURE

COMMUNICATIONS IN ALEXANDRIA AND ANYTHING TO BE
DELIVERED THERE MUST BE TAKEN BY HAND.

3. ALTHOUGH NOT SPECIFICALLY STATED IN REFTEL, WE
ASSUME LATERAL DISTRIBUTION OF STATUS DELIVERY OF
MONITORING REPORTS BETWEEN CAIRO AND TEL AVIV CONTINUES
TO BE AUTHORIZED.

ELTS

OC/T Note: Not passed Tel Aviv

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Department of State **TELEGRAM**

~~SECRET~~

O 281425Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 8009
BT
SECRET CAIRO 5593

8 1 2 4 Q
Jul 28, 1974
15:45Z

NODIS CHEROKEE

FOR THE SECRETARY FORM THE AMBASSADOR

E.O. 11652: GDS

TAGS: PFOR

SUBJ: FAHMY'S CONCERN RE USG-GOE RELATIONSHIP

REF: STATE 163982; CAIRO 5583

1. SUMMARY: FAHMY EXPRESSED HIS DEEP CONCERN RE SUBSTANCE AND TEMPO OF NEWLY EVOLVED US-GOE RELATIONSHIP. GHORBAL'S REPORT OF PUTATIVE CUT IN AID FOR EGYPT, IF TRUE, WOULD BE SERIOUS SETBACK TO OUR EFFORTS. SOVIETS AND RADICAL ARABS WILL SEIZE UPON IT TO PILLORY SADAT'S POLICY OF RELIANCE ON USG AND IT WILL GIVE RISE TO DOMESTIC DISCONTENT IN EGYPT ITSELF. ALREADY GOE IS HAVING DIFFICULTIES WITH ARAB SUMMIT, WHICH IT WANTS TO POSTPONE. SYRIANS ARE DEMURRING AND DEMANDING "TIME LIMITATION" BE IMPOSED AT SUMMIT FOR SOLUTION OF ARAB-ISRAELI PROBLEM AND THREAT OF RESINSTITUTING OIL EMBARGO IF TIMETABLE NOT MET. CONGRESS SHOULD BE MADE TO RECOGNIZE MAGNITUDE OF ITS RESPONSIBILITY TO SUPPORT GOE'S DESIRE TO PURSUE A RATIONAL COURSE. FAHMY'S VISIT WILL BE CRUCIAL TEST, BUT HE HAS NO INDICATION AS YET WHAT WE EXPECT TO COME OUT OF AUGUST MEETINGS. I TOLD HIM WE ARE FULLY AWARE OF NEED TO SUPPORT GOE AND ARE DOING UTMOST WITHING OUR CONSTITUTIONAL PROCESSES TO DO JUST THAT. WE ARE ALSO MINDFUL OF MAKING HIS VISIT A SUCCESS. I PROMISED TO LET HIM KNOW OUR THOUGHTS ON WHAT WE WOULD LIKE TO ACCOMPLISH AT AUGUST MEETING.

2. IN EXPECTATION THAT FAHMY WOULD NOT RETURN FROM ALEXANDRIA UNTIL TONIGHT, I CALLED ON SIRRI THIS MORNING TO CONVEY SUBSTANCE OF STATE 163982 RE NUCLEAR ENERGY AGREEMENT. IT TURNED OUT THAT FAHMY HAD JUST RETURNED AND WAS IN THE OFFICE. SINCE SIRRI HAD INITIALLY CALLED ON THE NUCLEAR ENERGY AGREEMENT

~~SECRET~~

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2 Cairo 5593

AT FAHMY'S BEHEST, HE SUGGESTED I GIVE RESPONSE TO THE MINISTER HIMSELF, ESPECIALLY SINCE LATTER HAD SOME OTHER MATTERS HE WANTED TO DISCUSS WITH ME. I FOUND FAHMY IN A SOMEWHAT TENSE MOOD. AS INDICATED BELOW, GOE IS HAVING TROUBLE WITH OTHER ARAB STATES ON THE SUBJECT OF THE UPCOMING ARAB SUMMIT AND FAHMY WAS ABOUT TO BEGIN TO CALL IN 17 OTHER ARAB AMBASSADORS TO TRY TO PERSUADE THEM TO GO ALONG WITH EGYPTIAN VIEWS ON THE HANDLING OF THE SUMMIT.

3. I FIRST OUTLINED IN SOME DETAIL OUR HANDLING OF THE NUCLEAR ENERGY AGREEMENT AS SET FORTH REFTEL. FAHMY LISTENED CAREFULLY, WHILE SIRRI TOOK COPIOUS NOTES. FAHMY TEHN SAID THAT HE HAD TO EXPRESS SOME OF HIS CONCERNS AS FORCEFULLY AND EARNESTLY AS HE COULD. HIS COMMENTS FOLLOW:

4. WHEN HE COME TO WASHINGTON, FAHMY SAID, HE WANTS TO DISCUSS WITH YOU AND PERHAPS WITH PRESIDENT NIXON SOME BASIC ISSUED AND PROBLEMS RELATING TO HOW WE CAN PROCEED IN DEVELOPING OUR NEW RELATIONSHIP ON SOLID GROUNDS AS WELL AS THE TEMPO OF THE PROCESS. HOW WE DO THIS IS IMPORTANT AND THE TEMPO IS EVEN MORE IMPORTANT. HE THEN ALLUDED TO THE REPORT (CAIRO 5583) THAT THE CONGRESS MAY BE CONSIDERING REDUCING THE AMOUNT OF AID REQUESTED FOR EGYPT. IF THIS IS A REAL POSSIBILITY, IT IS SERIOUS. IT IS SERIOUS, HE CONTINUED, BECAUSE THE SOVIET UNION IS CLOSELY WATCHING THESE DEVELOPMENTS. AS PRESIDENT SADAT HAD INDICATED TO SECRETARY SIMON, THE SOVIETS ARE "SQUEEZING" EGYPT MILITARILY, POLITICALLY, AND PSYCHOLOGICALLY, THROUGH "MANEUVERS TAKING PLACE ALL AROUND US." THEY ARE DOING SO WITH GREAT SPEED.

5. THIS MAY NOT BE AN IMPORTANT ISSUED TO THE US, BUT FOR EGYPT IT IS VITAL. IT IS VITAL BECAUSE IT IS A CHALLENGE TO THE NEW COURSE WHICH PRESIDENT SADAT HAS EMBARKED UPON IN ORDER TO PRESERVE EGYPT'S INDEPENDENCE AND HIS WILLINGNESS TO INITIATE "NEW OPPORTUNITIES" WITH THE US AND THE WEST. THE SOVIETS HAVE BEEN ADVISING ALL TO WAIT AND SEE. THE US ADMINISTRATION, THEY SAY, IS IMPOTENT. IT WILL SOON BECOME APPARENT THAT EGYPT WILL HAVE TO GO BACK TO THE SOVIETS BECAUSE OF THIS IMPOTENCE. THESE WHISPERINGS ARE BEING SPREAD AROUND IN THE ARAB WORLD AND EGYPT, AND AMNY PEOPLE ARE PICKING THEM UP. "THE PEOPLE ARE WATCHING AND WAITING."

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6. IF HIS UPCOMING VISIT TO THE US IS A FAILURE, FAHMY CONTINUED, OR IF HE GOES AT A TIME WHEN CONGRESS CUTS THE AMOUNT OF AID REQUESTED FOR EGYPT AND IF HE CANNOT GET "POLITICAL, FINANCIAL OR ECONOMIC AID," AND IF THE NUCLEAR ENERGY AGREEMENT IS ALSO POSTPONED, IT WILL BE A MAJOR BLOW TO WHAT WE ARE ALL SEEKING TO ACHIEVE. THE RUMORS OF A CONGRESSIONAL REDUCTION IN AID FOR EGYPT ARE "FRIGHTENING AND SHOCKING." IF THERE IS TO BE NO MORE THAN \$150 MILLION FOR THE SUEZ CANAL, WHERE IS EGYPT GOING TO GET THE REMAINDER. ALL OF THIS WOULD HAVE SERIOUS IMPLICATIONS FOR OUR EFFORTS TO MOVE FORWARD ON THE "MIDDLE EAST CRISIS."

7. AT THIS VERY MOMENT, FAHMY STRESSED, GOE IS STRIVING TO CHANGE THE DATE OF THE ARAB SUMMIT FROM SEPTEMBER 3 TO LATER IN THE YEAR. HE WAS ABOUT TO CONTACT 17 ARAB AMBASSADORS IN CAIRO TO PRESS THEIR GOVERNMENTS TO AGREE TO THE DELAY. GOE WAS DOING SO NOT BECAUSE IT IS AFRAID OF AN ARAB SUMMIT, BUT BECAUSE OTHER ARABS ARE SHOWING IMPATIENCE. SPECIFICALLY, SYRIA IS ENGAGED IN EFFORTS TO HAVE THE SUMMIT PLACE A "TIME LIMITATION" ON SOLVING THE ARAB-ISRAELI PROBLEM. IF LIMIT IS NOT MET, SYRIANS ARE PROPOSING THAT UNEF/ UNDOC BE ASKED TO LEAVE AND OIL EMBARGO BE REINSTITUTED.

8. UNLESS THERE ARE SIGNS OF TANGIBLE USG SUPPORT FOR SADAT, THE SITUATION AT HOME AND ABROAD COULD GET OUT OF HAND. PEOPLE IN WASHINGTON, HE LAMENTED, AND ESPECIALLY THE CONGRESS, DO NOT SEEM TO REALIZE THE MAGNITUDE OF THE ISSUES INVOLVED. "THEY LIVE IN ONE WORLD AND WE IN ANOTHER." CONGRESS SHOULD NOT HANDLE AID FOR EGYPT AS "POLITICAL AUTIONEERING." DOING SO PLAYS SQUARELY INTO THE SOVIET AND RADICAL ARAB HANDS. UNLESS SADAT'S POLICY PRODUCES TANGIBLE BENEFITS, SADAT WILL ALSO HAVE REAL PROBLEMS WHEN THE UNIVERSITIES RESUME IN SEPTEMBER. ALREADY SADAT IS BEING CRITICIZED FOR SIGNING A DISENGAGEMENT AGREEMENT THAT BROUGHT HIM NOTHING. THE SITUATION CAN BE MANAGED, FAHMY OPINED, BUT ONLY IF THE "PROMISED" \$250 MILLION AID FOR EGYPT IS VOTED AND "MASSIVE" PL 480 ASSISTANCE

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IS PROVIDED. PRESIDENT SADAT HAD MENTIONED IN HIS ALEXANDRIA SPEECH YESTERDAY THAT \$250 MILLION HAD ALREADY COME FROM THE US. FAHMY SAID HE WISHED THE PRESIDENT HAD NOT DONE SO AND THAT THE PRESIDENT HAD DONE SO ON HIS OWN. IF AFTER THIS CONGRESS NOW REDUCES AID, SADAT'S PRESTIGE AT HOME AND ABROAD WILL SUFFER. IF THE CONGRESS DOES NOT WANT EGYPT TO GO BACK NASSER TIMES, IT SHOULD ACT RESPONSIBLY AND MOVE RAPIDLY ON AID FOR EGYPT. MOREOVER, WHEN HE, FAHMY, GOES TO MOSCOW IN OCTOBER, HE MUST GO WITH A STRONG HAND.

9. FAHMY THEN COMPLAINED THAT WE HAD AS YET GIVEN HIM NO INFORMATION AS TO WHAT WE EXPECT TO COME OUT OF THE AUGUST MEETINGS. COULD I GIVE HIM ANY INFORMATION ON THIS? I SAID I THOUGHT HE HAD DISCUSSED THIS WITH YOU IN GERMANY AND THAT ONE MAJOR PURPOSE WAS TO CONSIDER NEXT STEPS. FAHMY AGREED, BUT NOTED THAT THIS IS NOT SOMETHING THAT CAN BE ANNOUNCED AS CONCRETE USG HELP. IT WILL BE OF NO USE IF A SMALL QUANTITY OF PL 480 WHEAT OR SOME MINOR ORGANIZATIONAL MATTERS ARE ALL THAT COME OUT OF THE MEETING. THERE SHOULD BE SOMETHING SUBSTANTIAL TO ANNOUNCE.

10. ADVERTING TO MY EARLIER COMMENTS ABOUT THE NUCLEAR ENERGY AGREEMENT, FAHMY ASKED WHY, IF WE ARE NOT SURE IT CAN BE SIGNED DURING AUGUST MEETING, HAD WE INVITED MINISTER OF POWER SULTAN? I TOLD HIM I WAS NOT AWARE THAT WE HAD FORMALLY INVITED ANY OTHER MINISTERS, BUT HAVE HEARD FROM GOE THAT OTHER MINISTERS WILL ACCOMPANY HIM TO WASHINGTON AND ARE, OF COURSE, PREPARED TO WELCOME THEM AND TRY TO MAKE THEIR VISIT A SUCCESS. THE DETERMINATION OF WHOM TO BRING WAS ENTIRELY UP TO OUR EGYPTIAN FRIENDS, AND I THOUGHT MANY OF THE MINISTERS WOULD FIND IT USEFUL TO EXPLORE WITH OPPOSITE NUMBERS IN USG HOW WE MIGHT HELP AND TO MAKE KNOWN EGYPT'S DEVELOPMENT PLANS TO THE AMERICAN BUSINESS COMMUNITY. I ASKED IF HE HAD YET DECIDED WHAT MINISTERS HE IS TAKING ALONG. HE SAID COMPOSITION OF THE DELEGATION IS NOT YET DECIDED AND WILL DEPEND IN LARGE PART ON WHAT WE WANT TO COME OUT OF THE MEETINGS.

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-5- Cairo 5593

HENCE, HIS QUESTION TO ME IN THIS SCORE. I TOLD HIM I WOULD LET HIM KNOW AS SOON AS I HAD SOME MORE SPECIFIC INFORMATION.

11. AFTER MY MEETING WITH FAHMY, SIRRI WORRIEDLY AND TRENCHEANTLY OBSERVED THAT THE ADMINISTRATIONS IN BOTH OUR COUNTRIES ARE CONSIDERABLY AHEAD OF THE REST OF THE COUNTRY IN WANTING TO CEMENT RELATIONSHIPS. WITH SOME DISGUST, HE COMMENTED THAT THE OTHER ARAB STATES ARE "ACTING LIKE CHILDREN" ON THE MATTER OF THE SUMMIT. THE PALESTINIANS, TOO, ARE STILL ANGRY AND SULKING BECAUSE OF THE SADAT HUSSEIN COMMUNIQUE. HOW CAN ANY PROGRESS BE MADE, HE WONDERED, WITH SUCH SHORTSIGHTED ARAB ATTITUDES.

12. COMMENT: WHILE FAHMY'S SHARP COMMENTS ARE PARTLY A PLOY TO ENSURE THAT HIS UPCOMING VISIT BE MORE TANGIBLY SUCCESSFUL, THERE IS NO DOUBT THAT SADAT AND HE ARE FEELING THE PRESSURE. CONTINUED BITTER PALESTINIAN DENUNCIATIONS (THERE ARE REPORTS THAT ARAFAT WILL NOT COME), SYRIAN AND OTHER ARAB STATES TRUCULENCE RE ARAB SUMMIT, LIBYAN SUBVERSION, SOVIETS NON-COOPERATION AND WHISPERINGS, APPARENT ISRAELI PUBLIC PRONOUNCEMENTS, INFLATED BUT STILL UNFILLED PUBLIC POLITICAL AND ECONOMIC EXPECTATIONS AND ALL WORRISOME. GHORBAL'S REPORT INTENSIFIES EGYPTIAN CONCERN ABOUT USG RELIABILITY AND COULD NOT HAVE COME AT A MORE UNFORTUNATE TIME. IN THIS CONTEXT, FAHMY'S TRIP ASSUMES SPECIAL IMPORTANCE AS GOE EFFORT TO AGAIN SEEK TANGIBLE REASSURANCE THAT SADAT'S POLICY SHIFT WAS WISE AND IN EGYPT'S BEST INTEREST. PLEASE LET ME KNOW WHAT I CAN TELL FAHMY ABOUT HOW WE PROPOSE TO HANDLE HIS VISIT AND WHAT WE EXPECT TO BE ABLE TO ANNOUNCE ABOUT ITS RESULTS. ALSO, I WOULD APPRECIATE KNOWING WHAT VIES WE MAY HAVE ON MINISTERS WHO MIGHT USEFULLY ACCOMPANY HIM
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O 030940Z AUG 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 8128
BT
SECRET CANRO 5792

Control: 763Q
Recd: August 3, 1974
5:51 AM

NODIS//C H E R O K E E

FOR THE SECRETARY FROM AMBASSADOR

EO 11652: XGDS-3
TAGS: PFOR EG US
SUBJECT: MESSAGE TO FAHMY

REF: STATE 168606

SINCE FAHMY IS IN ALEXANDRIA AND THERE IS NOT MUCH
TIME BEFORE HIS DEPARTURE FOR FRANCE ON MONDAY, AUGUST 5,
I AM DRIVING TO ALEXANDRIA THIS AFTERNOON TO DELIVER
MESSAGE. WILL REPORT HIS REACTION SOON AS I
CAN GET BACK TO EMBASSY COMMUNICATIONS FACILITIES.

EILTS

SECRET



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TELEGRAM

SECRET

R 301300Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 8060
BT
SECRET CAIRO 5669

8 6 3 8 Q
30 JUL 74 215 43

RODIS/C H E R O K E E

EO 11652: GDS
TAGS: PFOR EG 12 US
SUBJECT: CONTACTS BETWEEN US AND IRAQ
REF: STATE 163957

I INFORMED FAHMY TODAY IN STRICTEST CONFIDENCE THAT WE HAVE HAD SOME INITIAL CONTACTS WITH THE IRAQIS AND PLAN TO PURSUE THESE. IN DOING SO, I STRESSED NEED TO HOLD THIS INFORMATION VERY CLOSELY SO AS NOT TO EMBARRASS THE IRAQIS. I ALSO TOLD HIM ABOUT THE INCREASE IN AMERICAN BUSINESSMAN ACTIVITIES IN IRAQ OVER THE PAST YEAR. HE EXPRESSED APPRECIATION AND URGED THAT OUR EFFORTS CONTINUE.

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R 301300Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 8059
BT
SECRET CAIRO 5668

8 6 3 9 Q
30 JUL 74 Z15 43

03016

E.O. 11652: GDS
TAGS: PFOR EG US
SUBJ: MESSAGE TO FAHMY ON AID APPROPRIATION

REF: STATE 164948

FOR THE SECRETARY FORM THE AMBASSADOR

I CONVEYED REFERENCE MESSAGE TO FAHMY TODAY.
HE WAS RELIEVED AND GRATIFIED. HE EXPRESSED APPRECIATION
FOR THE ADMINISTRATION'S EFFORTS TO ENSURE THAT THE
REQUESTED AID FOR EGYPT IS ENACTED AND WISHES YOU ALL
SUCCESS IN THAT ENDEAVOR.
EILTS

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WH LOX 7

0 271345Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC NIACT IMMEDIATE 8006
BT
S E C R E T CAIRO 5585

CONTROL: 8 0 1 0 Q
JULY 27, 1974
10:48 AM

MODIS CHEROKEE

E.O. 11652: GDS
TAGS: PFOR, XF, US EG
SUBJ: EGYPTIAN DEMARCHE RE AID FOR EGYPT.

FOR THE SECRETARY FORM AMBASSADOR

1. SIRRI TELEPHONE ME MID-AFTERNOON TODAY AT FAHMY'S BEHEST (FAHMY IS IN ALEXANDRIA AND EXPECTED TO RETURN TOMORROW EVENING.) HE SAID A TELEGRAM HAD JUST BEEN RECEIVED FROM GHORBAL SAYING THAT THE CONGRESS IS TALKING ABOUT REDUCING THE "AMERICAN CONTRIBUTION TO EGYPT", AS SIRRI CALLED IT, FROM THE REQUESTED \$250 MILLION TO SOMETHING ON THE ORDER OF \$150 MILLION. THIS REDUCTION, GHORBAL WENT ON TO SAY, WOULD BE PART OF A GENERAL CONGRESSIONAL CUT IN FOREGIN AID. THE CONGRESSIONAL THEORY APPEARED TO BE THAT WHATEVER AMOUNT IS CUT MIGHT BE FOUND IN SOME OTHER WAY, E.G. THE CONTINGENCY FUND.

2. SIRRI SAID FAHMY HAD INSTRUCTED HIM TO REQUEST ME TO INQUIRE DIRECTLY OF YOU WHETHER THE ABOVE INFORMATION IS TRUE OR NOT. IF TRUE, FAHMY WANTS YOU TO KNOW OF THE EXTREMELY "BAD IMPRESSION" THAT ANY SUCH REDUCTION WILL MAKE IN EGYPT. THERE WILL BE THOSE INSIDE AND OUTSIDE OF EGYPT WHO WILL "TAKE ADVANTAGE" OF ANY SUCH CUT, POLITICALLY AND PROPAGANDA WISE. USSR AND RADICAL ARAB LEADERS WILL MAKE HAY OUT OF IT. GENERALLY SPEAKING, ANY REDUCTION OF WHAT THE ADMINISTRATION HAS "PROMISED" IN AID FOR EGYPT WOULD HAVE A SERIOUSLY NEGATIVE EFFECT IN ARAB WORLD.

3. WE ARE AT THE "BEGINNING OF A ROAD", SIRRI CONTINUED, AND FAHMY HOPES THE CONGRESS WOULD UNDERSTAND THIS. IF THE CONGRESS FAILS TO GIVE ADEQUATE CONSIDERATIONS TO THIS FACTOR, ADVERSE REPERCUSSIONS CAN BE EXPECTED. SUCH CONGRESSIONAL ACTIONS WILL PLAY INTO THE HANDS OF THOSE WHO WANT TO DISRUPT THE BURGEONING USG-GOE DIALOGUE.

4. I TOLD SIRRI I HAD NO INFORMATION, BUT WOULD AT ONCE REPORT THE MINISTER'S CONCERN. I REMINDED HIM THAT I HAD FREQUENTLY MENTIONED

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2-CATRO 5585, JULY 27, 1974 (NODIS/CHEROKEE)

THE PREVAILING PUBLIC AND CONGRESSIONAL SKEPTICISM ABOUT FOREIGN AID, BUT ASSURED HIM THAT YOU AND SENIOR DEPT OFFICERS ARE FULLY AWARE OF THE ADVERSE REACTION ANY CUT IN AID FOR EGYPT WILL HAVE HERE AND IN ARAB WORLD. I THOUGH FAHMY AND HE COULD BE SURE THAT EVERYTHING FEASIBLE IS BEING DONE BY THE ADMINISTRATION TO PERSUADE THE CONGRESS TO ENACT AID FOR EGYPT AS REQUESTED.

5. COMMENT: I HOPE GHORBAL'S REPORT IS UNTRUE, THROUGH I AM PAINFULLY AWARE OF CONGRESSIONAL UNHAPPINESS WITH FOREIGN AID. THIS IS AN OCCASION WHEN THE CONGRESS CAN, IF IT WISHES, ACT RESPONSIBLY TO HELP STABILIZE THE ARAB-ISRAELI, SITUATION. IF CONGRESS FAILS TO DO SO, IT WILL INEVITABLY UNDERCUT OUR PEACE EFFORTS AND WILL MAKE IT MORE DIFFICULT FOR SADAT TO PROCEED ON THE COURSE ON WHICH HE HAS EMBARKED. THE CONGRESS SHOULD NOT CAVALIERLY JETTISON THIS OPPORTUNITY. IF EGYPTIAN AND OVERALL ARAB CONFIDENCE IN USG DEPENDABILITY IS AGAIN SHAKEN, BITTER RECRIMINATIONS AND A DETERIORATION OF THE NEW RELATIONSHIP THAT HAS BEEN FORGED MY BE EXPECTED. EGYPTIAN AND OTHER ARABS WILL CONTRAST WHATEVER AMOUNT IS FINALLY ENACTED WITH GENEROUS CONGRESSIONALLY APPROVED AID FOR ISRAEL. I KNOW THAT YOU ARE AS AWARE OF THIS AS I, BUT WANTED YOU HAVE MY EVALUATION.
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CONTROL: 79350

RECD: 27 JUL 74
4:03AM

P 270715Z JUL 74 ZFF-4
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC PRIORITY 7997
BT
SECRET CAIRO 5575

MODIS

E.O. 11652: GDS
TAGS: PFOR, XF
SUBJ: ROGER FISHER MESSAGE RE DESIRABILITY OF
MEETING WITH PALESTINIANS

FOR THE SECRETARY FROM AMBASSADOR

1. YOUR FORMER COLLEAGUE ROGER FISHER CALLED ON ME YESTERDAY TO SAY HE HAD BEEN MEETING WITH SAID KAMAL AND OTHER PLO REPRESENTATIVES IN CAIRO, WHO HAS ASKED HIM TO CONVEY THEIR DESIRE TO MEET WITH ME URGENTLY TO DISCUSS PALESTINIAN MATTERS. I HAD TO TELL FISHER THAT I WAS NOT ABLE TO MEET WITH SAID KAMAL AND HIS COLLEAGUES. I AGREED, HOWEVER, TO TRANSMIT TO YOU A MESSAGE FROM FISHER ON THE SUBJECT, WHICH IS QUOTED BELOW:

2. QUOTE PERSONAL FOR HENRY KISSINGER FROM ROGER FISHER. AMBASSADOR EILTS EXPLAINED TO ME THAT CURRENT U.S. POLICY PRECLUDING OFFICIAL CONTACTS WITH PALESTINIANS MADE IT IMPOSSIBLE FOR HIM TO ACCEPT A SUGGESTED MEETING PROPOSED BY SAID KAMAL, DEPUTY HEAD OF POLITICAL DEPARTMENT OF THE PLO. INSTEAD EILTS KINDLY OFFERED TO TRANSMIT A MESSAGE.

A. AFTER SEVERAL HOURS TALK JULY TWENTY-SIX WITH SAID KAMAL AT HIS INITIATIVE I BELIEVE IT HIGHLY DESIRABLE THAT USG ESTABLISH WITHIN A FEW DAYS A DIRECT LINK FOR ORAL COMMUNICATION WITH SAID KAMAL, KHALID HASSAN OR OTHER SECOND-LEVEL EL FATAH LEADERS. WHAT KAMAL SAYS ABOUT PRESENT POLITICAL POSITION OF EL FATAH LEADERSHIP IS TOO CRITICAL TO BE LEFT TO SURMISE, HEARSAY AND INDIRECT COMMUNICATION.

C. I AM LED TO UNDERSTAND THAT CENT OF GRAVITY OF PLO LEADERSHIP IS NOW READY TO MAKE A FULL PEACE WITH ISRAEL AS A JEWISH STATE BASED ON PRINCIPLES OF UN 1947 PARTITION AND RECOGNIZING THAT BORDERS WILL HAVE TO BE ADJUSTED BECAUSE OF CHANGED CIRCUMSTANCES DURING PAST

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MOB-2-CAIRO 5575, JUL 27

TWENTY-SIX YEARS. PLO WOULD EXPECT IMMEDIATE OPEN BORDERS, ECONOMIC COOPERATION, RELATIONS, ETC. IN CONTRAST TO THE LIMITED FORMAL PEACE NOW CONTEMPLATED BY EGYPTIANS. THEY WOULD HOPE THAT OVER THE DECADES PEACEFUL LIVING SIDE BY SIDE WOULD LEAD TO SOME KIND OF MERGER BUT THAT WOULD BE FOR FUTURE GENERATIONS.

2. THERE IS TOTAL DISTRUST OF HUSSEIN. A DISENGAGEMENT AGREEMENT THAT TURNED OVER PART OF THE WEST BANK TO HUSSEIN BEFORE THE PLO IS INVOLVED IN THE POLITICAL PROCESS COULD FORFEIT A POSSIBLE OPPORTUNITY

AND COULD STIMULATE RENEWED INTER-ARAB VIOLENCE. ON THE OTHER HAND HAVING THE PLO AT GENEVA WITH THE FUTURE OF THE WEST BANK OPEN COULD CAUSE PALESTINIANS TO TRY TO DEMONSTRATE HOW REASONABLE AND PEACE-LOVING THEY WOULD BE.

3. I AM NOT SUGGESTING ALL IS WELL OR THAT SOLUTION ARE EASY. I DO URGE THE PROMPT ESTABLISHMENT OF A WORKING CONTACT. WHY NOT AUTHORIZE SOMEBODY TO MEET WITH KAMAL NOT AS PLO BUT AS EL FATAH, WHICH WOULD AVOID SAYING THAT PLO REPRESENTS ANYBODY. UNQUOTE.

3. IN HIS COVERING LETTER TO ME, FISHER RELATE THAT HE TOLD SAID KAMAL I WAS UNABLE TO SEE HIM, BUT THAT I HAD AGREED TO SEND FISHER'S ACCOUNT OF HIS TALKS WITH SAID KAMAL. THE LATTER HAD STRESSED THE IMPORTANCE OF FISHER'S MESSAGE BEING KEPT SECRET WITH THE MOST RESTRICTED DISTRIBUTION POSSIBLE.

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O 251730Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 7974
BT
SECRET CAIRO 5535

CONTROL: 7 3 5 2 Q
JULY 25, 1974
2:39 PM

NODIS CHEROKEE

E.O. 11652: GDS
TAGS: PFOR, EG, US
SUBJ: FAHMY'S VISIT TO WASHINGTON

REF: STATE 161425

FOR THE SECRETARY FROM AMBASSADOR

ALTHOUGH FAHMY LEFT CAIRO TODAY FOR ALEXANDRIA, I WAS ABLE TO PHONE HIM, THIS EVENING AT HIS CABIN THERE TO CONVEY YOUR DESIRE TO RESCHEDULE HIS TALKS WITH YOU TO BEGIN AUGUST 12 VICE AUGUST 10. FAHMY IMMEDIATELY SAID CHANGE OF DATE POSES NO RPT NO PROBLEM FOR HIM. HOWEVER, SINCE HE HAS ALREADY SCHEDULED HIS LONG POSTPONED TRIP TO FRANCE IMMEDIATELY BEFORE HIS TALKS WITH YOU AND DOES NOT WANT TO BE IN PARIS FOR FIVE FULL DAYS, HE WILL PROBABLY ARRIVE IN NEW YORK OR WASHINGTON TWO DAYS OR SO BEFORE HIS TALKS WITH YOU ARE TO BEGIN. HE WILL LET ME KNOW HIS EXACT ETA ASAP. EILTS

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JUL 25 1974



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R 251255Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7966
BT

CONTROL: 7 2 1 0 Q
JULY 25, 1974
9:17 AM

C O N F I D E N T I A L CAIRO 5524

NODIS

E.O. 11652: GDS
TAGS: PFOR, EG, IS
SUBJECT: ISRAELI BODY SEARCH

REF: STATE 161366

1. I HAVE NOW SEEN TEL AVIV'S 4174. SHALEV SHOULD KNOW THAT WHOEVER LEAKED INFORMATION RE BODY SEARCH HAS DONE ISRAELIS A GREAT DISSERVICE. RATHER THAN PRESSURE GOE TO BE MORE FORTHCOMING, PUBLIC SURFACING OF THIS NEWS IS MORE LIKELY TO MAKE EGYPTIANS MORE ADAMANT. AT A MAXIMUM THEY MAY DROP THE WHOLE MATTER; AT A MINIMUM, THEY MAY BE EXPECTED TO INSIST UPON THE RETURN OF ALL RPT ALL "PRISONERS OF WAR."

2. AS REPORTED PREVIOUSLY, EGYPTIANS ARE SENSITIVE TO OTHER ARAB CRITICISM THAT THEY HAVE COOPERATED WITH THE ISRAELIS. DEPT WILL RECALL THAT DURING SAUDI MOQA PRINCE SULTAN'S VISIT SOME MONTHS AGO, EGYPTIIN ORGANIZERS OF CUSTOMARY FRONT LINE TOUR FOOLISHLY TOOK HIM TO WHERE ISRAELIS WERE DOING BODY SEARCH. SULTAN EXPLODED, CAUSING EGYPTIANS MUCH EMBARRASSMENT. THEY ARE KEENLY AWARE OF THEIR HEAVY DEPENDENCE ON CONTINUED SAUDI MUNIFICENCE. NOW WE HAVE KING FASIAL ARRIVING ON JULY 31 FOR A NINE-DAY VISIT. FASIAL MAY BE EXPECTED TO REACT EQUALLY INDIGNANTLY TO THE NEWS THAT THE EGYPTIANS HAVE CONTINUED TO COOPERATE IN ISRAELI BODY SEARCH AND NOT ONLY ENDORSE BUT ALSO URGE EGYPTIANS PERMANENTLY TO SUSPEND IT.

3. IF STORY ALSO SURFACES IN KNESSET AS SUGGESTED IN TEL AVIV'S 4174, OR CONTINUES TO GET BANNER HEADLINES IN ISRAELI PRESS OR LEAKS TO RADICAL ARAB PRESS, GOI MAY AS WELL WRITE OFF ANY FURTHER HOPE OF REACTIVATING THE PROJECT.

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R 241020Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7933
BT
SECRET CAIRO 5456

MODIS CHEROKEE

FOR THE SECRETARY FROM THE AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR EG US AG
SUBJ: RELATIONS WITH ALGERIA

1. FAHMY YESTERDAY ASKED ME ABOUT THE CURRENT STATUS OF OUR RELATIONS WITH BOUMEDIENNE. SPECIFICALLY HE REQUESTED TO BE UNABLE TO UNDERSTAND WHY DIPLOMATIC RELATIONS HAD NOT YET BEEN RESUMED. WAS THIS AT OUR OR AT ALGERIAN INITIATIVE?

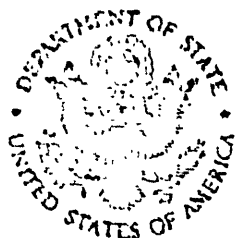
2. I TOLD FAHMY WE CONTINUE TO HAVE AN INTERESTS SECTION IN ALGERIERS HEADED BY A VERY CAPABLE CHARGE, WHO REMAINS IN TOUCH WITH THE ALGERIAN GOVT. I DID NOT KNOW WHY DIPLOMATIC RELATIONS HAD NOT YET BEEN RESUMED, BUT COULD ONLY ASSUME THAT THE ALGERIAN GOVT IS NOT YET READY TO DO SO. I RECALLED THAT ON SEVERAL PAST OCCASIONS, OUR EGYPTIAN FRIENDS HAD TOLD US THEY HAD THOUGHT THAT ALGERIA AND EGYPT WOULD RESUME DIPLOMATIC RELATIONS AT THE SAME TIME. THIS HAD NOT TAKEN PLACE AS EXPECTED. I ASKED IF MOUSTAPHA LUFTI, WHO IS NOW EGYPTIAN AMBASSADOR IN ALGERIA, HAD GIVEN ANY RECENT EXPLANATION OF THE ALGERIAN ATTITUDE. FAHMY SAID HE HAD NOT. FAHMY EXPRESSED THE VIEW, HOWEVER, THAT WE SHOULD MAKE ANOTHER ATTEMPT TO RESUME DIPLOMATIC RELATIONS WITH ALGERIA.

3. FAHMY ALSO SUGGESTED THAT BOUMEDIENNE AND BOUDEFLIKA REMAIN AT ODDS AND OPINED BOUDEFLIKA WILL BEFORE LONG BE OUSTED. HE DID NOT ELABORATE ON THIS VIEW.

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R 241015Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7932
BT
SECRET CAIRO 5455

CONTROL: 6755Q
RECD: 24 JUL 11 49Z

NODIS/CHEROKEE

FOR THE SECRETARY FROM THE AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR EG IZ US
SUBJECT: FAHMY SUGGESTION RE OVERTURES TO IRAQ

1. WHEN WITH FAHMY YESTERDAY AFTERNOON, HE SAID THAT HE UNDERSTOOD THERE HAD RECENTLY BEEN AN INCREASE IN AMERICAN BUSINESS ACTIVITY IN IRAQ. COULD I CONFIRM THIS AND, IF SO, WHAT DID IT PORTEND POLITICALLY? IO TOLD HIM I WAS NOT INFORMED ON THE SUBJECT, ALTHOUGH I RECALLED THAT IN PAST SEVERAL YEARS IRAQ HAS CONCLUDED BUSINESS CONTRACTS WITH A NUMBER OF AMERICAN FIRMS.

2. FAHMY THEN NOTED THAT IRAQ HAS RECENTLY SHOWN SOME INTEREST IN IMPROVING RELATIONS WITH EGYPT AND RECALLED THAT HARWAD HAD BEEN SENT THERE A SHORT TIME AGO. WITHOUT GIVING DETAILS, FAHMY SAID THE IRAQI RESPONSE TO SADAT'S EMISSARY HAD BEEN POSITIVE. BOTH EGYPT AND IRAQ ARE NOW ACTIVELY ENGAGED IN SEARCHING FOR WAYS TO IMPROVE THEIR RELATIONS.

3. IN THIS CONTEXT, FAHMY SUGGESTED THAT WE, TOO, SHOULD NOW "INCREASE YOUR CONTACTS WITH THE IRAQIS." THE PRESENT MOMENT IS OPPORTUNE, HE WAS CONVINCED, ALSO TO EFFECT A BREAKTHROUGH IN US-IRAQI RELATIONS. HE PROPOSED THAT WE TAKE EARLY STEPS TO PROBE THIS POSSIBILITY.

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Department of State

TELEGRAM

SECRET

P 221145Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC PRIORITY 7905
BT
SECRET CAIRO 5420

6 0 0 8 Q
July 22, 1974
13:06Z

MODIS

PASS ANKARA ATHENS

E.O. 11652: GDS
TAGS: PFCR, CY, EG
SUBJECT: EGYPT AND CYPRIOT PROBLEM

1. BY SEPARATE TELEGRAM, WE ARE REPORTING FAHMY'S STATEMENT OF YESTERDAY ON THE CYPRIOT CRISIS. FAHMY SAID GOE SPPORTS AN INDEPENDENT NON-ALIGNED CYPRIOT AND PULBICLY LAUDED MAKARIOS' ROLE. (HE HAD INITIALLY BEEN RELUCTANT TO MENTION MAKARIOS BY NAME, BUT SEEMS TO HAVE BEEN PERSUADED TO DO SO BY UNDERSEC GHAFAR AND CYPRIOT AMBASSADOR).

2. WHEN MEETING LAST NIGHT WITH FAHMY, WHO HAD JUST RETURNED FROM ALEXANDRIA THE PREVIOUS DAY, HE IMMEDIATELY TACKLED ME ON CYPRIOT. HE WANTED TO KNOW WHAT THE USG -- AND SPECIFICALLY CIA -- WAS DOING IN STAGING THE COUP THAT OUSTED MAKARIOS. I TOLD HIM NO ORGAN OF USG HAD ANYTHING TO DO WITH THE COUP. WE HAD BEEN AS SURPRISED AS ANYONE AND WERE NOW TRYING TO FIND A SOLUTION ACCEPTABLE TO ALL INTERESTED PARTIES.

3. FAHMY WAS FRANKLY SKEPTICAL. HE STILL SPOKE VAGUELY OF "CIA INVOLVEMENT" (WHICH, INCIDENTALLY, IS WIDELY HEARD IN CAIRO THESE PAST FEW DAYS.) HE WENT SO FAR AS TO SUGGEST THAT THE TURKISH MILITARY INVASION COULD ONLY HAVE BEEN STAGED WITH USG COLLUSION. I EMPHASIZED THAT HE WAS QUITE WRONG. HE SHOULD KNOW THAT WE HAVE NO DESIRE TO SEE A CONFLICT BETWEEN GREECE AND TURKEY, BOTH OF WHOM ARE NATO ALLIES, AND HAVE ON SEVERAL OCCASIONS IN THE PAST EXERTED MAJOR DIPLOMATIC EFFORTS TO HEAD THIS OFF. THIS TIME, HOWEVER, THE SITUATION HAD MOVED TOO QUICKLY TO PREVENT IT. AS I HAD TOLD HIM, OUR EFFORTS WERE NOW DIRECTED AT GETTING A CEASE-FIRE AND NEGOTIATIONS UNDERWAY.

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Department of State

TELEGRAM

-2- Cairo 5420, Jul 22

3. FAHMY THEO WANTED TO KNOW WHETHER WE SUPPORTED MAKARIOS' RETURN TO CYPRUS. HE THOUGHT WE SHOULD DO SO. I SAID WE WANTED A RETURN TO CONSTITUTIONAL GOVERNMENT IN CYPRUS AND EARLY NEGOTIATIONS AMONG THE CONCERNED PARTIES TO ACHIEVE THIS. FAHMY WAS NOT ENTIRELY CONVINCED, BUT DID NOT PURSUE THE POINT. HE ASKED THAT I KEEP HIM ADVISED ON HOW WE SEE THE CYPRUS SITUATION EVOLVING.

4. LATER IN THE EVENING I SAW FONMIN UNDER SECRETARY ABDUL GHAFAR. HE PUT VIRTUALLY THE SAME QUESTIONS TO ME. HE, TOO, SUGGESTED THAT MAKARIOS SHOULD BE BROUGHT BACK TO CYPRUS, BUT WENT ON TO SAY HIS RETURN SHOULD PERHAPS BE NO MORE THAN A TOKEN RETURN OF A MONTH OR SO TO MAINTAIN A SEMBLANCE OF CONSTITUTIONAL LEGITIMACY. HE ACKNOWLEDGED THAT MAKARIOS, ONCE BACK IN, MIGHT NOT WISH TO LEAVE, BUT OPINED THAT IT OUGHT TO BE POSSIBLE FOR THE "POWERS" TO PERSUADE HIM TO DO SO.

5. RECOMMENDATION: IN VIEW OF STRONG GREEK INTEREST IN CYPRUS DEVELOPMENTS, I WOULD APPRECIATE HAVING SUCH INFORMATION AS DEPT IS WILLING TO SHARE WITH FAHMY ON THE DEVELOPMENT OF THE CYPRUS CRISIS AND OUR SPECIFIC OBJECTIVES IN WORKING TO RESOLVE IT.

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NOTE: NOT PASSED ATHENS, ANKARA BY OC/T



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Department of State TELEGRAM

SECRET

P 221100Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC PRIORITY 7900
BT
SECRET CAIRO 5415

5 9 7 5 Q
Jul 22, 1974
11:59Z

NOOIS

FOR UNDER SECRETARY SISCO FROM AMBASSADOR

E.O. 11652:

GDS

TAGS: PFOR, EG, IS

SUBJECT: ISRAELI REQUEST FOR
RECOVERY OF MISSING BODIES

REF: STATE 147100 AND 148338; CAIRO 5075

1. PURSUANT REFERENCE INSTRUCTIONS, I RAISED WITH FAHMY
LAST NIGHT THE MATTER OF THE ISRAELI BODY SEARCH. I DID
SO IN LOW KEY AS YOU REQUESTED.

2. I RECALLED THAT THE PRESIDENT HAD EARLIER GIVEN
INSTRUCTIONS THAT A SECOND BODY SEARCH SHOULD BE ARRANGED
THROUGH UNEF WITH ISRAELI CHAPLAINS PRESENT. I UNDERSTOOD-
THAT, ALTHOUGH THIS HAD BEEN DONE, IT HAD NOT BEEN
ENTIRELY SUCCESSFUL FOR A VARIETY OF REASONS. THE TIME
HAD BEEN TOO SHORT, HEAVY EQUIPMENT NEEDED TO UNCOVER
THE BODIES HAD NOT BEEN PERMITTED, AND IT HAD NOT BEEN
POSSIBLE TO CONTACT EGYPTIAN OFFICERS WHO HAD BEEN PRESENT
AT THE BURIAL OF THE ISRAELI SOLDIERS. I UNDERSTOOD,
TOO, THAT THE ISRAELIS BELIEVE 77 BODIES ARE STILL
MISSING AND THAT THEY CAN PROVIDE SPECIFIC LOCATIONS
WHERE THESE BODIES MAY BE. IN FACT, SUCH A LIST HAD
ALREADY BEEN GIVEN TO GENERAL MAGDOUB AND COLONEL
AYUB. I NOTED THAT THE ISRAELIS DO NOT RESTRICT
EGYPTIAN SEARCHES FOR BODIES OF THEIR SOLDIERS AND
FURTHER UNDERSTOOD THAT 63 BODIES OF EGYPTIAN SOLDIERS
HAD RECENTLY BEEN RETURNED. IN VIEW OF THESE CIRCUMSTANCES;
I WONDERED IF ANOTHER EFFORT MIGHT BE PERMITTED TO RECOVER
THE REMAINING ISRAELI BODIES.

3. IN CONTRAST TO HIS PREVIOUS SKEPTICISM ABOUT A
SECOND ISRAELI BODY SEARCH, FAHMY'S REACTION WAS
SURPRISINGLY UNDERSTANDING. HE SAID THAT HE THOUGHT THE

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Department of State **TELEGRAM**

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-2- Cairo 5415, Jul 22

ISRAELI BODY SEARCH HAD BEEN COMPLETED. WHAT HAD GONE WRONG? I AGAIN MENTIONED SOME OF THE POINTS INDICATED ABOVE AND SUGGESTED THAT PERHAPS AT LOWER LEVELS, COOPERATION HAD NOT BEEN AS POSITIVE AS PRESIDENT SADAT HAD DESIRED. FAHMY SAID HE WOULD IMMEDIATELY GET IN TOUCH WITH LTG GAMASY AND LOOK INTO THE MATTER.

4. TWO HOURS LATER FAHMY TELEPHONED ME ON THE SECURE PHONE. REFERRING TO OUR CONVERSATION, HE SAID HE HAD DISCUSSED

THE MATTER AT SOME LENGTH WITH GAMASY. THE LATTER HAD EXPLAINED THAT AN "AGREEMENT" HAD EARLIER BEEN MADE BETWEEN THE

EGYPTIAN AND ISRAELI SIDES ON THE SUBJECT. THE ISRAELIS HAD GIVEN THEIR "PLAN," PRESUMABLY THE LIST OF PUTATIVE LOCATIONS OF ISRAELI BODIES. THE TWO SIDES

HAD THEN AGREED THAT THE EGYPTIANS WOULD ASSIST IN LOCATING THE ISRAELI BODIES, PROVIDED THAT

ISRAELIS RETURNED A LIST OF "ARAB PRISONERS OF WAR" WHICH THE EGYPTIANS HAD GIVEN TO THEM. THE ISRAELIS, ACCORDING TO GAMASY, HAD ACCEPTED THIS DEAL COMPLETELY. THEREAFTER, THEY HAD RENEGED. IF THE ISRAELIS ARE READY TO FULFILL THEIR COMMITMENT, FAHMY SAID, EGYPT IS READY TO HELP THEM RECOVER THE 77 BODIES. FAHMY NOTED THE ISRAELIS DO NOT KNOW WHERE ALL OF THE 77 BODIES ARE. THE EGYPTIANS DO HAVE INFORMATION ON MOST OF THEM AND WILL PROVIDE THIS IF THE "PRISONERS OF WAR" ARE RETURNED.

5. I HAD NOT PREVIOUSLY REFERRED TO THE PRISONERS OR TO THE FACT THAT I KNEW 61 SUCH EGYPTIAN DETAINEES HAD RECENTLY BEEN RELEASED. I HAD DELIBERATELY AVOIDED DOING SO BECAUSE OF THE ISRAELI DESIRE NOT TO MAKE A CONNECTION BETWEEN THE RETURN OF ISRAELI BODIES AND THE RETURN OF THE EGYPTIAN PRISONERS (FYI SECTION, STATE 147100). WHEN FAHMY SPECIFICALLY LINKED THE TWO, HOWEVER, I SAID THAT I UNDERSTOOD 61 EGYPTIANS HAD ALREADY BEEN RETURNED AS EVIDENCE OF THE ISRAELI DESIRE TO COOPERATE. FAHMY ACKNOWLEDGED THAT THIS NUMBER OF EGYPTIAN PRISONERS HAD BEEN RETURNED, BUT INSISTED THAT ALL DETAINEES HELD BY

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Department of State

TELEGRAM

SECRET

-3- Cairo 5415, Jul 22

ISRAELIS MUST BE RETURNED IF THERE IS TO BE FURTHER EGYPTIAN COOPERATION IN RECOVERING THE MISSING ISRAELI BODIES. HE REITERATED GAMASY'S ALLEGATION THAT SUCH HAD BEEN THE INITIAL "DEAL" WORKED OUT BY THE EGYPTIAN AND ISRAELI MILITARY REPRESENTATIVES AND THAT THE ISRAELIS HAD SUBSEQUENTLY RENEGED ON THEIR PART OF THE DEAL.

6. COMMENT: I DO NOT KNOW IF GAMASY'S ALLEGATION OF

A "DEAL" BETWEEN THE EGYPTIAN AND ISRAELI MILITARY REPRESENTATIVES IS CORRECT, THOUGH I ALSO HAVE NO REASON TO QUESTION IT. I DO HAVE THE IMPRESSION THAT THE EGYPTIANS, WHILE WILLING IN PRINCIPLE TO BE FORTHCOMING ON THE RETURN OF THE ISRAELI BODIES, HAVE THEIR HEELS DUG IN ON THE QUID PRO QUO THEY ARE DEMANDING. I DO NOT BELIEVE THE EGYPTIANS WILL BUDGE ON THIS. ANY EFFORT TO GET THE EGYPTIANS TO RECONSIDER THEIR POSITION IS LIKELY TO BE TAKEN HERE AS PRESSURE. I RECOMMENT, THEREFORE, THAT THE EGYPTIAN RESPONSE BE CONVEYED TO THE ISRAELIS FOR THEIR CONSIDERATION AND SUCH ACTION AS THEY DEEM APPROPRIATE.

7. GUAY JUST TELLS ME THAT GAMASY, WHEN MEETING WITH VISITING PENTAGON TEAM THIS MORNING, MENTIONED IN PASSING THAT I HAD SPOKEN TO FAHMY LAST NIGHT ABOUT THE ISRAELI BODY SEARCH REQUEST. APPARENTLY HE GAVE NO DETAILS. I WILL EMPHASIZE TO PENTAGON TEAM MEMBERS, WHEN I SEE THEM LATER TODAY, THE SENSITIVITY OF THIS SUBJECT AND THAT IT SHOULD NOT BE DISCUSSED.

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TELEGRAM

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FM SECSTATE WASHDC
TO AMEMBASSY CAIRO IMMEDIATE 8419
BT

CONTROL: 0 5 6 5Q

SECRET STATE 168606

NODIS/CHEROKEE

E.O. 11652: XGDS-3
TAGS: PFOR, EG, US
SUBJECT: MESSAGE FOR FOREIGN MINISTER FAHMY
REF: (A) CAIRO 5188, (B) CAIRO 5481, (C) CAIRO 5471,
(D) CAIRO 5593

FOR AMBASSADOR FROM SECRETARY

PLEASE DELIVER THE FOLLOWING MESSAGE FROM ME TO FAHMY:

BEGIN MESSAGE:

DEAR ISMAIL:

AS OUR PREPARATIONS FOR YOUR VISIT TO WASHINGTON
CRYSTALLIZE, I WANT TO SHARE WITH YOU MY SENSE OF
WHERE MATTERS STAND. I HAVE, OF COURSE, READ WITH
CARE AMBASSADOR EILTS' REPORTS OF HIS RECENT CON-
VERSATIONS WITH YOU AND AM AWARE OF THE PARTICULAR
CONCERNS AND INTERESTS YOU HAVE EXPRESSED IN CONNECTION
WITH YOUR VISIT.

THE CONSULTATIONS WHICH WE HAVE PLANNED OVER THE NEXT
FEW WEEKS ARE NOW PRETTY WELL SET. AS YOU KNOW, FOREIGN
MINISTER ALLON AND I ARE MEETING THIS WEEK, AND PRIME
MINISTER RIFAI WILL BE HERE FOR MEETING ON AUGUST 6
AND 7. FOLLOWING YOUR VISIT, IT IS POSSIBLE
THAT KING HUSSEIN MAY COME TO WASHINGTON ON A DAY'S
PRIVATE STOP IN CONNECTION WITH HIS VISIT TO CANADA,
BUT THIS HAS NOT BEEN DEFINITELY DECIDED YET. AFTER
THAT, WE ARE HOLDING TIME FOR A SYRIAN REPRESENTATIVE,
BUT WE HAVE NOT YET HEARD DEFINITELY FROM PRESIDENT ASAD.

THIS MEANS THAT BY THE END OF AUGUST, WE SHOULD HAVE A
BETTER IDEA OF HOW WE MIGHT PROCEED WITH THE NEGOTIATIONS.
IT WILL PROBABLY BE NECESSARY FOR US THEN TO SPEND SOME
TIME REFINING OUR PLAN OF ACTION ON THE BASIS OF THIS
FIRST ROUND OF TALKS, BUT A SENSE OF DIRECTION SHOULD

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Department of State TELEGRAM

-2- STATE 168606, AUG '74

BEGIN TO EMERGE BY THEN. I HAVE VERY MUCH IN MIND PRESIDENT SADAT'S DESIRE TO MOVE AHEAD AS PROMPTLY AS POSSIBLE, WHICH WE OF COURSE SHARE, BUT THERE IS NO POINT NOW IN TRYING TO SPECULATE ON TIMING WHEN YOU AND I WILL HAVE AN OPPORTUNITY TO DISCUSS THIS IN DETAIL SO SOON.

WE HAVE HAD SOME EXCHANGES WITH OTHER ARAB LEADERS OVER THE PAST FEW WEEKS. MESSAGES HAVE BEEN EXCHANGED WITH PRIME MINISTER RIFAI AND WITH PRESIDENT ASAD, AS WITH YOU, ON THE PURPOSE AND TIMING OF THE TALKS WHICH WILL BE HELD HERE OVER THE NEXT FEW WEEKS. BOTH OF THEM HAVE BEEN SO MUCH A PARTY TO THE GENERAL STRATEGY WE ARE PURSUING THAT IT HAS NOT BEEN NECESSARY IN THESE EXCHANGES TO BREAK NEW GROUND ON ANY SUBSTANTIVE ISSUES. THE PRESIDENT HAS JUST WRITTEN TO KING FAISAL TELLING HIM WHAT WE HOPE TO ACHIEVE DURING THESE AUGUST CONSULTATIONS AND ASSURING HIM OF OUR DETERMINATION TO MAINTAIN STEADY PROGRESS IN THE NEGOTIATIONS.

FOLLOWING THE PRESIDENT'S TRIPS TO THE MIDDLE EAST AND TO THE SOVIET UNION, THE PRESIDENT AND I WROTE, AS HE DID TO PRESIDENT SADAT, TO KING FAISAL, KING HUSSEIN, PRESIDENT ASAD, PRESIDENT BOUMEDIENE AND THE SHAH OF IRAN, REFLECTING ON THE RESULTS OF THOSE TRIPS OR, IN THE CASE OF OUR VISIT TO MOSCOW, ASSURING THAT OUR FRIENDS FULLY UNDERSTOOD OUR INTENTIONS IN CONNECTION WITH THE MIDDLE EAST SECTION OF THE JOINT COMMUNIQUE WHICH WAS ISSUED AT THE END OF THE PRESIDENT'S VISIT.

ALL OF THESE COMMUNICATIONS TO OTHER LEADERS HAVE BEEN OF A GENERAL NATURE AND, AS ALWAYS, WE HAVE NOT TOLD THEM AS MUCH OR GONE INTO THE SAME FRANK DETAIL WE DO IN OUR CORRESPONDENCE WITH PRESIDENT SADAT AND YOU. WE HAVE ALSO WANTED OUR CLOSEST FRIENDS TO UNDERSTAND OUR THINKING ON THE CYPRUS CRISIS, AND WE DID WRITE TO A FEW OF THEM, INCLUDING PRESIDENT ASAD, AS WE DID TO YOU--AGAIN IN MUCH LESS DETAIL--

EXPLAINING OUR ACTIONS IN THAT SITUATION. WE HOPE NOW THAT IT WILL BE POSSIBLE FOR US TO ENTER A PERIOD OF NEGOTIATION ON THAT PROBLEM, ALTHOUGH THE SITUATION IN CYPRUS ITSELF WILL PROBABLY REMAIN TOUCHY FOR SOME TIME.

SINCE PRESIDENT FRANGIE HAD SENT LETTERS TO PRESIDENT NIXON AND TO GENERAL SECRETARY BREZHNEV AT THE TIME OF THEIR SUMMIT MEETING, THE PRESIDENT HAS RESPONDED WITH

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Department of State

TELEGRAM

-3- STATE 168606, AUG'74

A GENERAL STATEMENT OF OUR SUPPORT FOR LEBANON'S INTEGRITY AND AN EXPLANATION OF THE IMPORTANCE WE ATTACH TO THE COMING NEGOTIATIONS.

FINALLY, WE HAVE WRITTEN TO PRESIDENT BOUMEDIENE ABOUT OUR REPRESENTATION IN ALGIERS. THE OFFICER WHO HAS HEADED OUR INTERESTS SECTION THERE FOR THE PAST FIVE YEARS IS RETURNING TO WASHINGTON. WE PLAN TO SEND A SENIOR OFFICER TO ALGIERS NOW WITH THE THOUGHT THAT HE WOULD BECOME OUR AMBASSADOR WHENEVER FULL DIPLOMATIC RELATIONS MIGHT BE RESTORED, ALTHOUGH WE ARE MAKING NO FORMAL LINKAGE BETWEEN THOSE TWO STEPS. AS WE HAVE ALWAYS DONE, WE HAVE MADE CLEAR THAT THE TIMING OF THAT STEP IS UP TO HIM.

IN ALL OF THESE EXCHANGES WHICH HAVE DEALT WITH THE FUTURE OF NEGOTIATIONS, WE HAVE EMPHASIZED THE IMPORTANCE OF GIVING CAREFUL ATTENTION NOW TO FRAMING THE ISSUES FOR NEGOTIATION SO THAT THEY WILL PERMIT STEADY PROGRESS AND TO TIMING THE NEGOTIATIONS SO THAT WE CAN LOOK FORWARD TO PROGRESS RATHER THAN FACE THE DANGER OF EARLY STALEMATE. I NEED NOT GO INTO THIS WITH YOU BECAUSE YOU FULLY SHARE OUR VIEWS ON THIS APPROACH.

I WILL, OF COURSE, HAVE MUCH MORE TO TELL YOU OF MY TALKS WITH ALLON WHEN WE MEET. AT THIS POINT, IT IS IMPORTANT FOR YOU TO KNOW THAT THESE TALKS EXAMINED IN DEPTH THE CONSIDERATIONS WHICH AFFECT ALL OF US IN DETERMINING A NEGOTIATING STRATEGY FOR THE TIME AHEAD. THEY GAVE ME AN UNDERSTANDING OF THE ISRAELI POSITION WHICH WILL BE HELPFUL AS YOU AND I DISCUSS HOW WE SHOULD PROCEED. I WANT TO ASSURE YOU--SINCE THE INEVITABLE PRESS SPECULATION IS ALREADY BEGINNING TO APPEAR--THAT WE HAVE TAKEN NO POSITIONS UNTIL WE SEE YOU. ALLON UNDERSTANDS THAT DECISIONS ON STRATEGY WILL DEPEND HEAVILY ON WHAT PRESIDENT SADAT AND YOU REGARD AS REALISTIC.

WE ARE LOOKING FORWARD TO YOUR VISIT. ON THE POLITICAL SIDE, YOU AND I WILL WANT TO DISCUSS IN DETAIL WHAT YOU FEEL ARE REALISTIC OBJECTIVES ON THE EGYPTIAN AND JORDANIAN NEGOTIATING FRONTS, HOW YOU FEEL WE SHOULD PROCEED NOW IN CONNECTION WITH THE PALESTINIANS, AND WHAT OUR CONCLUSIONS ON THESE TWO SUBJECTS SUGGEST FOR THE TIMING AND ORDERING OF THE WORK OF THE GENEVA CONFERENCE. WE FULLY UNDERSTAND AND SHARE YOUR VIEW OF THE IMPORTANCE OF MOVING AHEAD STEADILY AS I KNOW YOU UNDERSTAND OUR

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Department of State

TELEGRAM

-4- STATE 268606, AUG'74

VIEW OF THE NECESSITY FOR ALL OF US TO ASSURE POLITICAL SUPPORT FOR EACH STEP.

ON THE ECONOMIC SIDE, I AM AWARE OF YOUR INTEREST AND THAT OF YOUR COLLEAGUES THAT SOMETHING CONCRETE COME OUT OF THESE TALKS. SEPARATE INSTRUCTIONS WILL BE SENT TO AMBASSADOR EILTS IN THE NEXT FEW DAYS SO HE CAN DISCUSS THIS ASPECT OF YOUR FORTHCOMING VISIT WITH YOU IN DETAIL. IN MY GENERAL VIEW, WHAT WE ARE TRYING TO ACCOMPLISH NOW IS THE ESTABLISHMENT OF A FRAMEWORK FOR OUR RELATIONSHIP WHICH CAN FACILITATE DECISION-MAKING IN BOTH THE PUBLIC AND PRIVATE SECTORS. WE WILL BE GIVING CLOSE ATTENTION NOW TO THOSE AREAS WHERE WE CAN MOVE TOWARD EARLY DECISIONS WHEN CONGRESS HAS AUTHORIZED OUR AID FOR EGYPT AND APPROPRIATED THE NECESSARY FUNDS. THERE ARE A NUMBER OF CONCRETE STEPS THAT COULD BE INCLUDED IN A JOINT ANNOUNCEMENT AT THE END OF YOUR VISIT IF YOU AND I DECIDE THAT WOULD BE USEFUL.

IN CONNECTION WITH THE AID LEGISLATION, YOU MAY BE SURE THAT THE PRESIDENT AND I WILL DO ALL WE CAN IN URGING THAT THE CONGRESS PROVIDE THE FULL AMOUNT WE HAVE REQUESTED. OUR PRESENT EXPECTATIONS, BASED ON DISCUSSIONS WITH CONGRESSIONAL LEADERS, ARE HOPEFUL THAT THE CONGRESS DOES UNDERSTAND THE IMPORTANCE OF OUR NEW RELATIONSHIP WITH EGYPT AND THAT IT WILL PROVIDE A CONCRETE FOUNDATION TO OUR MUTUAL PEACE EFFORTS BY APPROVING THE ADMINISTRATION'S REQUEST FOR ASSISTANCE TO EGYPT. AS I HAVE ASKED AMBASSADOR EILTS TO ASSURE YOU, WE WILL CONTINUE TO FOLLOW THIS AID LEGISLATION CAREFULLY AS IT NOW BEGINS ITS COURSE THROUGH THE CONGRESS AND WILL CONTINUE TO PRESS FOR THE FULL AMOUNT WE HAVE RECOMMENDED FOR EGYPT.

I HAVE ALSO NOTED THE CONCERN YOU EXPRESSED TO AMBASSADOR EILTS THAT THE SOVIETS ARE SPECULATING THAT THE UNITED STATES WILL NOT BE ABLE TO MEET ITS COMMITMENTS TO EGYPT AND THAT EGYPT'S DESIRES FOR A BALANCED RELATIONSHIP WITH THE USSR AND THE UNITED STATES WILL PROVE FUTILE. YOU KNOW THE IMPORTANCE WE PLACE ON OUR FRIENDLY RELATIONS, AND I CAN ASSURE YOU AND PRESIDENT SADAT THAT WE WILL NOT FALTER IN OUR EFFORTS TO MAINTAIN AND IMPROVE THEM AS WE MOVE FORWARD STEP BY STEP TOWARDS PEACE IN THE MIDDLE EAST. WHILE I CAN UNDERSTAND YOUR CONCERN OVER WHAT THE SOVIETS MAY BE SAYING, YOU CAN BE CONFIDENT THAT WE WILL DO WHAT WE HAVE SAID WE

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TELEGRAM

-5- STATE 168606, AUG'74

WOULD DO.

ON ONE FINAL MATTER, WHILE IT WOULD BE VERY HELPFUL AND USEFUL TO HAVE AMBASSADOR EILTS WITH US HERE IN WASHINGTON, I UNDERSTAND PRESIDENT SADAT'S DESIRE TO HAVE HIM CLOSE BY IN EGYPT. THEREFORE, IF YOU AGREE, I AM INCLINED TO ASK THAT HE STAY IN EGYPT DURING YOUR VISIT HERE. WE WILL SEE FROM OUR SIDE THAT HE IS FULLY BRIEFED AS SOON AS OUR TALKS HAVE ENDED, AND YOU CAN DO THE SAME WHEN YOU RETURN TO CAIRO.

WARM PERSONAL REGARDS,

HENRY A KISSINGER

END MESSAGE. KISSINGER

NEA:HHS AUNDERS:BG
7/31/74:EXT 29464
THE SECRETARY

NEA - MR. ATHERTON
S/S - MR. GAMMON

P - MR. SISCO

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Department of State

TELEGRAM

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CONTROL: 3 9 1 9Q
RECD: 15 JUL'74 4:10PM

O 151740Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC NIACT IMMEDIATE 7766
BT
SECRET CAIRO 5188

NODIS/CHEROKEE

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: XGDS-4
TAGS: PFOR, EG, US
SUBJECT: FAHMY'S TRAVELS TO THE UNITED STATES

REF: CAIRO 5098; STATE 150578

1. WHEN IN ALEXANDRIA TODAY WITH SECRETARY SIMON, FAHMY ASKED ME TO CALL ON HIM. AMONG THE VARIOUS POINTS HE MENTIONED WAS THE FOLLOWING:

2. HE NOTED THAT PRESIDENT SADAT, WHEN TALKING TO THE AMERICAN AND EGYPTIAN PRESS AFTER MEETING WITH SECRETARY SIMON, HAD SAID HE PLANS TO SEND HIS FOMIN TO THE UNITED STATES IN AUGUST TO DISCUSS VARIOUS MATTERS. SINCE THE NEWS IS NOW OUT, FAHMY SAID HE IS INFORMING EGYPTIAN PRESS OF AUGUST 10 DATE. HE EXPECTS IT TO APPEAR IN TOMORROW MORNING'S AL AHAM.

3. FAHMY WENT ON TO SAY THAT HE HAD DISCUSSED WITH PRESIDENT YOUR OBSERVATION THAT A FULLY-DEVELOPED STRATEGY COULD PROBABLY BE FINISHED BEFORE SEPTEMBER, BUT THAT A FINAL SOLUTION COULD NOT BE EXPECTED BY THEN. THE PRESIDENT HAD ASKED THT YOU DO THE BEST YOU CAN ON THIS MATTER. THE PRESIDENT BELIEVES THAT IT WILL NOT BE NECESSARY TO FINISH THE ENTIRE NEXT PHASE BY SEPTEMBER 1, BUT THAT IT SHOULD BE COMPLETED BY THE END OF SEPTEMBER, IF AT ALL POSSIBLE.

4. FAHMY THEN GAVE FOLLOWING THREE REASONS WHY HE -- FAHMY -- CONSIDERS IT IMPORTANT TO HAVE NEXT PHASE FINISHED BY END OF SEPTEMBER.

A) IF FAHMY GOES TO MOSCOW IN OCTOBER, AND HE

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Department of State

TELEGRAM

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-2- CAIRO 5188 15 JUL 74

BELIEVES THE SOVIETS WILL GO THROUGH WITH INVITATION. HE CONSIDERS IT IMPORTANT THAT NEXT PHASE BE FINISHED BEFORE VISIT TO MOSCOW.

B) EVEN MORE IMPORTANTLY, PRESIDENT SADAT'S VISIT TO THE UNITED STATES, PROBABLY IN NOVEMBER, SHOULD TAKE PLACE AFTER SOMETHING NEW HAS BEEN ACCOMPLISHED; AND

C) THE MECHANICS OF GENEVA, WHETHER OR NOT IT TAKES PLACE, WILL BE CLEARLY APPARENT TO EVERYONE IF WE CAN REACH SOME NEW AGREEMENT SOON.

5. FAHMY CONTINUED THAT HE WILL IN NEXT FEW WEEKS BE TALKING TO KING HUSSEIN, WHO ARRIVES TOMORROW, AND THE PALESTINIANS. THIS WILL CONSUME SOME TIME. HE IS SLIGHTLY CONCERNED THAT THE SOVIETS MAY PRESSURE THE SYRIANS TO GO TO GENEVA ALONE, EVEN IF EGYPT IS NOT YET READY TO DO SO. HE FRANKLY DOUBTS THAT SYRIA WILL GO ALONE, BUT DOES NOT DISMISS POSSIBILITY.

6. FAHMY CONTINUED THAT HE HAD INFORMATION FROM "SOURCES" (UNIDENTIFIED) WHICH, IF TRUE, SUGGEST THAT OUR AND SOVIET VERSIONS OF NIXON-BREZHNEV DISCUSSIONS ON MIDDLE EAST IN MOSCOW ARE NOT THE ENTIRE PICTURE. HE NOTED PARENTHETICALLY THAT US AND SOVIET VERSIONS ARE DIFFERENCE, BUT DID NOT ELABORATE, BUT NOTED THESE "SOURCES" INSIST THAT PRESIDENT NIXON AND BREZHNEV ARRIVED AT CERTAIN CONCRETE ARRANGEMENTS ON THE MIDDLE EAST. THERE ARE ALSO SUGGESTIONS, HE CLAIMED, THAT IT WAS BECAUSE OF THIS THAT THE SOVIETS POSTPONED FAHMY'S TRIP TO MOSCOW. FAHMY REITERATED, HOWEVER, THAT YOU HAD TOLD HIM ABOUT WHAT TRANSPIRED AND HE PERSONALLY DOES NOT IN ANY WAY QUESTION YOUR ACCOUNT. HE SIMPLY WANTED YOU TO KNOW OF THESE REPORTS.

7. I TOLD HIM THAT HE SHOULD NOT PLACE ANY CREDENCE IN SUCH REPORTS. WE HAVE TOLD OUR EGYPTIAN FRIENDS WE WILL KEEP THEM FULLY INFORMED OF TALKS WITH SOVIETS AND I THOUGHT HE WOULD AGREE THAT THE RECORD SHOWS WE HAVE DONE SO. FAHMY AGREED, BUT HE CLAIMED SOME OTHER EGYPTIAN MINISTERS WHO ARE NOT PRIVY TO OUR EXCHANGES, HAVE HEARD THE STORY AND ASKED ABOUT IT.

EILTS

SECRET

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NO DIS NO DIS NO DIS

Pay - 20H
COPY 7 OF 15 COPIES

The seal of the United States Department of State is located at the top center of the document. It features an eagle with wings spread, perched on a shield with stars and stripes. Above the eagle's head is a constellation of stars. The words "DEPARTMENT OF STATE" are written in a circular arc above the eagle, and "UNITED STATES OF AMERICA" is written in a circular arc below it.

SECRET
Department of State
TELEGRAM

Z O 271907Z MAR 74 ZFF6
FM SECSTATE WASHDC
TO RUEOR/AMEMBASSY CAIRO FLASH 6538
INFO RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 0201
BT
S E C R E T STATE 061188

CONTROL: 7386Q

NODIS
TOSEC 115

E.O. 11652: GDS
TAGS: EG, IS
SUBJECT: TRANSFER OF BODIES TO EGYPTIANS

FOR THE AMBASSADOR FROM SISCO

1. ISRAELI EMBASSY HERE HAS JUST CALLED TO REPORT THAT PLANS HAD BEEN MADE TO TURN OVER TO THE EGYPTIANS YESTERDAY 11 BODIES INCLUDING THAT OF PRESIDENT SADAT'S BROTHER. UNFORTUNATELY, DUE TO TECHNICAL DIFFICULTIES THE BODY TRANSFER DID NOT TAKE PLACE AND THE ISRAELIS UNDERSTAND THAT THE EGYPTIAN CHIEF OF STAFF IS EXTREMELY ANGRY OVER THIS.
2. ISRAELIS ASK THAT WE INFORM THE EGYPTIANS THAT DEFENSE MINISTER DAYAN APOLOGIZES FOR THE DELAY. HE HAS GIVEN ORDERS THAT THE BODIES BE TURNED OVER TO THE EGYPTIANS AT ISMAILIA AT 2:00 P.M. (LOCAL) TOMORROW (THURSDAY).
3. YOU SHOULD CONTACT EGYPTIANS ASAP AND PASS ON THE INFORMATION CONTAINED IN PARAGRAPHS 1 AND 2 ABOVE. IF YOU CAN OBTAIN CONFIRMATION FROM THE EGYPTIANS THAT THEY WILL BE PREPARED TO RECEIVE THE BODIES TOMORROW AT 2:00 P.M., IT WOULD BE USEFUL FOR US TO KNOW THIS SO THAT WE CAN PASS IT BACK TO THE ISRAELIS. RUSH

S: LSEAGLEBURGER: ML
3/27/74 EXT. 20968
P - MR. SISCO

S/S - WHLUERS

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NRE
1479X

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

SECRET/EYES ONLY (XGDS)

April 12, 1974

MEMORANDUM FOR:

SECRETARY KISSINGER

FROM:

HAROLD H. SAUNDERS

SUBJECT:

The Pace of Egyptian-US-Soviet Relations

This note is to mention my concern about the speed at which relations between the US and Egypt and between Egypt and the USSR are changing. It is also an expression of concern about how that change is managed.

The following are the elements of my concern:

--Sadat has moved very quickly and in doing so has not hesitated to rub salt in Soviet wounds. This has put Sadat in a position where the Soviets are unlikely to be forthcoming on aid.

--The Soviets have read this Egyptian shift away from the USSR correctly, and they have taken a tough stance toward the US in relation to our respective approaches to the Middle East. This means, as you well know, that they will be inclined to obstruct peace-making efforts when that can be done without excessive risk.

--As the Egyptians are gradually cut off from Soviet aid, they are turning increasingly frantically to us to pick up some of the bill which the Soviets have been footing. Although one must discount for Fahmi's acerbic style of conducting a relationship, Fahmi is increasingly arguing that Sadat's ability to justify his policy shift will depend on the ability of the US to supplant Soviet economic help on a massive scale. This would put US-Egyptian relations right back on the foundation of sand that they rested on 1961-67.

XGDS - 3

DECLAS - Date Impossible to Determine.

BY AUTH - Dr. Henry A. Kissinger

SECRET/EYES ONLY (XGDS)

SECRET/EYES ONLY (XGDS)

- 2 -

--The sand in the foundation is the fact that there is at least some question--to understate--about the willingness of the US Congress to provide aid on the scale that Egypt is expecting, although it is certainly worth a substantial effort to increase dramatically what we are doing.

This situation suggests two points which you might consider making to Fahmi:

1. Both his government and ours should consider how to soften our tone toward the USSR in order to make it somewhat more conciliatory. While neither of us has any desire to change the substance of our present course, it may be easier for Sadat to bring it off if the shift can take place in lower key without further antagonizing the USSR unnecessarily.
2. You are concerned that the extent to which Fahmi is making the amount of US aid the yardstick of the success of Sadat's policies. There seem to us to be two major problems to this approach.
 - a. No outside power including the USSR is able to provide aid on the scale that Fahmi is discussing. Therefore, he is setting a standard which in the real world cannot be met, except perhaps by the Saudis or Libyans.
 - b. The fatal flaw in the last rapprochement between Egypt and the United States--in the early 1960's--was that we went too far too fast. In 1961 with a three-year PL 480 agreement, the US created the impression of massive new aid to come. Then the relationship between Egypt and the US became such that the Congress would not sustain that promise. On the one hand, it seems in both our interests to move slowly and not to create excessive expectations. On the other hand, it would seem to us--although President Sadat will be the better judge--that his interest lies in creating the impression that Egypt this time will not become beholden to any foreign power. The point would be that Egypt is going to make it on its own

SECRET/EYES ONLY (XGDS)

SECRET/EYES ONLY (XGDS)

- 3 -

this time with regional and whatever other help is available but without becoming dependent on any single source of aid. It seems important to us for President Sadat to be able to say that his shift in policy is to make available to Egypt a wide range of resources available in the free world and not just to recreate the image of Egypt as shifting dependency from one external benefactor to another.

These are the kinds of points that only you can make in private conversation with Fahmi and Sadat, but I feel they need to be made convincingly and quickly.

Denis Clift concurs.

SECRET/EYES ONLY (XGDS)

NSC CORRESPONDENCE PROF" E

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SOURCE / CLASS / DESCRIPTION

TO: PRES FROM: ~~ROGERS~~ UNCLAS NO FORN NODIS

KISSINGER RICHARDSON LOU EYES ONLY EXDIS

SCOWCROFT SCHLESINGER C CODEWORD

ELIOT S SENSITIVE

SUBJECT: Egyptian - US Soviet Relations - LA

REFERENCE: S/S OTHER NOT XEROXED

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STAFF SECRETARY				MEMO FOR PRES. ()
FAR EAST				REPLY FOR ()
SUB-SAHARAN AFRICA				APPROPRIATE ACTION ()
MID EAST / NO. AFRICA / SO. ASIA				MEMO TO ()
EUROPE / CANADA				RECOMMENDATIONS ()
LATIN AMERICA				JOINT MEMO..... ()
UNITED NATIONS				REFER TO FOR: ()
ECONOMIC				ANY ACTION NECESSARY? ()
SCIENTIFIC				CONCURRENCE ()
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SUBSEQUENT ROUTING / ACTIONS

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4/16				<i>order by 8' camp</i>	

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SPECIAL DISPOSITION) <u> </u>	
OR RECORD COMMENT:) <u> </u>	
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CROSS REF W/ <u> </u> JOINED BY LOG # <u> </u>	
SEE # <u> </u> FOR FINAL ACTION & FILING.	
SUSPENSE CY ATTACHED: <u> </u>	

SECRET/SENSITIVE

THE WHITE HOUSE

WASHINGTON

April 17, 1974

MEETING WITH FOREIGN MINISTER ISMAIL FAHMY

Thursday, April 18, 1974

11:30 a.m.

The Oval Office

From: Henry A. Kissinger */K*

I. PURPOSE

To strengthen further your personal relationship with Fahmy and, through him, with President Sadat -- the two men who are responsible for Egypt's foreign policy shift away from dependence on the USSR and for Egypt's taking the first Arab step toward peace with Israel.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Fahmy came to the special session of the UN General Assembly partly in order to discuss latest developments on Syrian-Israeli disengagement, US-USSR relations on the Middle East and other recent developments there. You will recall having met with him last on February 19, together with the Saudi Foreign Minister. As you know, President Sadat subsequently played a central role in the Arab decision to lift the oil embargo.

Now, our objective is to marshal Arab forces in support of a Syrian-Israeli disengagement. The Syrians have proposed a disengagement line on the Golan Heights which would force the Israelis to give up a number of their settlements, while the Israelis have proposed a line which does not quite go back to the line which existed before the October war. Our objective is to achieve a compromise which includes Israeli withdrawal to positions behind the October 6 lines, and the return to Syrian control of the one town of any consequence in the area (Quneitra).

Fahmy also is pressing hard for major US financial support for Egyptian reconstruction as a justification for President Sadat's shift away from the USSR. He is inclined to talk as if the

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-2-

yardstick for measuring the success of Sadat's policy is the amount of aid which the US provides. You will want to explain your intention to submit a major Middle East aid package to the Congress but, at the same time, to urge caution on making this central to our relationship. On the one hand, the Administration can go only so far as Congressional appropriations will permit. On the other hand, it seems important to us that President Sadat not simply exchange dependency on the USSR for dependency on the US. Our relationship should be based on considerations broader than the extent of aid we can provide.

I have explained to Fahmy the delicate line we are drawing with the Soviets between giving them the appearance of involvement in Middle East peacemaking and actually involving them to the point of giving them an opportunity to disrupt the negotiations. We know from intelligence that Fahmy is urging Sadat to soft-pedal public criticism of the USSR and has pressed Gromyko hard for military aid. It is not in our interest that the Egyptians further antagonize the Soviets.

Your objectives, therefore, are: (1) to reiterate your respect for President Sadat's statesmanship and reaffirm your commitment to maintaining diplomatic momentum toward an Arab-Israeli settlement; (2) to explain your intentions on economic assistance but to caution about reasonable limits to that assistance; (3) to urge a low-key stance toward the USSR.

- B. Participants: Foreign Minister Fahmy and Secretary Kissinger.
- C. Press Plan: Press Photo opportunity at the outset. Meeting to be announced.

III. TALKING POINTS

1. Please convey to President Sadat my appreciation for the central role he played in the Arab decision to lift the oil embargo against the United States.
2. Please also express to President Sadat my great respect for his statesmanship. I admire and appreciate the leadership he is providing toward an Arab-Israeli settlement. I know this has required great political courage.

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SECRET/SENSITIVE

-3-

3. Secretary Kissinger has explained in detail the state of Syrian-Israeli negotiations on disengagement. Please assure President Sadat that I remain committed to a major effort to achieve Syrian-Israeli disengagement. I recognize that success in this effort is crucial to creating a situation where negotiations toward a final peace agreement can go forward in earnest. I hope for President Sadat's continued efforts with the Syrians in the disengagement negotiations.
4. I plan to submit to the Congress within the next week a major proposal for economic assistance to selected countries in the Middle East. As you well know, we are already embarked on an operation to clear mines from the Suez Canal. The appropriation which I am requesting from the Congress would permit the US to play a helpful role in Egypt's rehabilitation. [FYI: \$250 million is included for the rest of our role in clearing the Canal, for Egyptian commodity imports, and for rehabilitation in Egypt. In addition, there could be further assistance under PL 480, depending on availabilities.] We are also working closely with McNamara, and have urged Chancellor Brandt to help generously. At the same time, I would caution against overoptimistic estimates of what we may be able to do. The Administration is vulnerable to the whims of Congress in this respect.
5. We will continue to be mindful of Soviet sensitivities concerning this involvement in the negotiations. We plan to provide the appearance of consultation, but we will not go beyond what we have agreed with President Sadat in discussing the substance of peace negotiations.
6. Secretary Kissinger, I know, has discussed with you the availability of US military equipment.

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ACTION

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MEMORANDUM

NATIONAL SECURITY COUNCIL

SECRET/SENSITIVE

April 17, 1974

MEMORANDUM FOR:

SECRETARY KISSINGER

FROM:

HAROLD H. SAUNDERS *Hal*

SUBJECT:

The President's Meeting with
Foreign Minister Fahmy--Thursday,
April 18, 1974

The attached talking paper has been written on the assumption that the President will be seeing Foreign Minister Fahmy tomorrow (Thursday, April 18).

When a time is set, it will have to be typed on the attached after you have approved the substance.

RECOMMENDATION: That you send the attached talking paper to the President for his meeting Thursday.

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Department of State
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W18
JL
TELEGRAM

R 120955Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7692
BT
SECRET CAIRO 5075

CONTROL: 3240Q
RECD : JULY 12, 1974
6:50 A.M.

NODIS

FOR UNDER SECRETARY SISCO FROM AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR, EG, IS
SUBJECT: ISRAELI REQUEST FOR RECOVERY OF MISSING BODIES

REF: STATE 148338

APPRECIATE CLARIFICATION CONTAINED REFTL. I HAD HOPED TO DISCUSS
SUBJECT WITH FAHMY IN ALEXANDRIA YESTERDAY. HE HAD ASKED ME TO CALL
BUT ON ARRIVAL I FOUND MIN OF AGRICULTURE ZAKI ALSO PRESENT
THROUGHOUT MEETING. IN VIEW SENSITIVITY OF REFERENCED SUBJECT, I
HAVE TO TACKLE FAHMY ON THIS WHEN WE ARE ALONE. SINCE HE IS NOT
NOW GOING TO MOSCOW ON JULY 15, I HOPE TO BE ABLE TO SEE HIM DURING
OR AFTER UPCOMING SIMON VISIT. I WILL HANDLE MATTER IN LOW KEY.

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TELEGRAM

P 112337Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC PRIORITY 7686
BT
SECRET CAIRO 5068

CONTROL: 3074Q
RECD: 11 JUL'74 5:13pm

MODIS/CHEROKEE

E. O. 11652: XGDS
TAGS: PFOR EG MR
SUBJECT: POSTPONEMENT FAHMY'S TRIP TO MOSCOW

REF CAIRO 5043

1. REFTTEL REPORTS TODAY'S CAIRO PRESS ACCOUNT OF LAST MINUTE SOVIET POSTPONEMENT OF FAHMY'S VISIT TO MOSCOW. HE WAS SCHEDULED TO LEAVE JULY 15.

2. SHORTLY BEFORE I LEFT FOR ALEXANDRIA THIS MORNING, I RECEIVED WORD FROM SIRRI THAT FAHMY WOULD LIKE TO SEE ME THERE. WHEN I ARRIVED IN ALEXANDRIA, CONGEN HAD WORD THAT MEETING WAS SET UP AT 1700 AT HIS MONTAZA CABIN. THE SUBJECT HE WISHED TO DISCUSS, IT TURNED OUT, WAS STATUS OF GOE REQUEST FOR "EMERGENCY ASSISTANCE" IN COMBATING COTTON WORM, WHICH I AM REPORTING BY SEPTTEL. HOWEVER, I ALSO ASKED HIM ABOUT THE SURPRISING ANNOUNCEMENT OF THE POSTPONEMENT OF HIS TRIP. COULD HE SHED ANY LIGHT ON IT?

3. FAHMY PROFESSED TO BE TOTALLY PUZZLED BY THE SOVIET ACTION. HE SAID THAT IT HAD COME AS A COMPLETE SURPRISE TO SOVIET AMBASSADOR POLYAKOV, WHO HAD BEEN SCHEDULED TO LEAVE FOR MOSCOW TOMORROW TO PARTICIPATE IN VISIT. FOR THE PAST SEVERAL WEEKS, FAHMY RELATED, THE SOVIETS HAVE BEEN PRESSING HIM TO COME. THE INVITATION HAD EMANATED NOT ONLY FROM BRESHNEV, BUT FROM THE POLITBURO AS A WHOLE. ONLY A FEW DAYS AGO, WHEN POGGORYN TRANSITTING LUXOR ENROUTE TO SOMALIA, THE SOVIET LEADER HAD AGAIN INDICATED THAT USSR LEADERSHIP LOOKED FORWARD TO FAHMY'S ARRIVAL..

4. OSTENSIBLE REASON FOR THE POSTPONEMENT UNTIL OCTOBER, FAHMY NOTED, IS TO ALLOW THE SOVIETS MORE TIME TO PREPARE FOR THE TALKS. THIS HE CONSIDERS AS NO MORE THAN AN EXCUSE. FAHMY SPECULATED THAT THREE REASONS OCCURRED TO HIM FOR THE LAST MINUTE POSTPONEMENT:

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SECRET
Department of State

TELEGRAM

-2- CAIRO 5068, 11 JUL'74

A) BREZHNEV'S HEALTH, WHICH HAS BEEN BAD FOR SOME TIME, MAY HAVE BECOME WORSE; B) THERE MAY BE SOME UPHEAVAL IN THE POLITBURO IN THE WAKE OF PRESIDENT NIXON'S VISIT; OR C) THE SOVIETS MAY HAVE DECIDED THAT THEY WANT TO GIVE THE USG A CHANCE TO SHOW THAT IT MEANS TO DO SOMETHING ON FURTHER MOVEMENT RE THE ARAB-ISRAELI ISSUE. IN THE CONNECTION, FAHMY CLAIMED THAT POLYAKOV HAS APPROACHED THE GOE SEVERAL TIMES IN THE LAST COUPLE OF WEEKS TO COMPLAIN ABOUT USG'S "EVASIVENESS" AND "INSINCERITY" WITH RESPECT TO THE GENEVA CONFERENCE. SINCE FAHMY PARRIED THESE CHARGES, THE SOVIETS MAY RECKON THAT BY WAITING UNTIL OCTOBER, THEY MAY BE ABLE TO REMIND FAHMY OF THEIR PREVIOUS WARNINGS AND UNDERMINE HIS POSITION IN GOE.

D. FAHMY ASKED IF WE HAVE ANY INFORMATION WE CAN SHARE WITH GOE ABOUT LATEST DEVELOPMENTS IN MOSCOW.

G. FOR WHAT IT IS WORTH, A SWEDISH EMBOFF WHO HAS EXCELLENT ELOC CONTACTS, TOLD ONE OF MY OFFICERS TODAY THAT HE HAD SPENT THE EVENING OF JULY 9 WITH SOVEMBOFF AND TASS CORRESPONDENT YEDRESHNIKOV. NOTWITHSTANDING SOVIET AMB'S AFOREMENTIONED PROTESTATIONS OF SURPRISE, BOTH SOVIET OFFICERS ALLEGEDLY EXPRESSED DOUBT THAT FAHMY TRIP WOULD TAKE PLACE AS SCHEDULED. THEY ALSO SUGGESTED THAT FAHMY MIGHT NOT, IN ANY CASE, LEAD THE EGYPTIAN SIDE. MIN OF WAR ISMAIL, BECAUSE OF HIS RANK AS DEP PRIME AND HIS MILITARY EXPERTISE, WAS DESCRIBED BY SOVIETS AS A MORE SUITABLE HEAD OF DELEGATION. SOVIET DISLIKE OF FAHMY WAS CLEARLY APPARENT IN THEIR REMARKS.

SOVEMBOFFS HAD ALSO STATED PODGORNYY'S LUXOR STOPOVER WAS INTENDED AS A TEST CASE. THOUGH GOE HAD PRIOR NOTIFICATION OF REFUELING STOP, FAILURE TO DISPATCH RANKING OFFICIAL FROM CAIRO, SUCH AS FAHMY, ALLEGEDLY INCENSED SOVIETS GREATLY.

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Department of State

TELEGRAM

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25590

10 JULY 11 38 AM

O 161450Z JUL 74
FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7664
INFO RUEHCR/AMEMBASSY TEL AVIV IMMEDIATE 3933
BT
SECRET CAIRO 5053

MODIS/CHEROKEE

E.O. 11652: XGQS-1
TAGS: PFOR, EG, US, IS
SUBJECT: PHOTOGRAPHIC MONITORING REPORT SUEZ DISENGAGEMENT
AREA

REF STATE 148198; CAIRO 4186

ACTING DATT/ARMA DELIVERED ADVANCE COPY OF
PHOTOGRAPHIC MONITORING REPORT TO FIELD MARSHAL
ISMAIL AND LTG GAMASY, CHIEF OF STAFF, ARMED FORCES,
AT 1400 HOURS JULY 10. THEY READ REPORT THOROUGHLY
AND FM ISMAIL'S SOLE COMMENT WAS, "THE SITUATION
LOOKS NORMAL. I PRESUME WE WILL BE RECEIVING THE
PHOTOS IN THE NEAR FUTURE." RESPONSE WAS AFFIRMATIVE.
EILTS

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TELEGRAM

SECRET

Z O 101000Z JUL 74

FM AMEMBASSY CAIRO

TO RUEHCR/AMEMBASSY TEL AVIV FLASH 3931

INFO RUEHCR/SECSTATE WASHDC IMMEDIATE 7648

BT

S E C R E T CAIRO 5007

CONTROL: 2 4 6 6 Q

Recd : 10 July
6:10 A.M.

NODIS/CHOKEE

E.O. 11652: XGDS-1

TAGS: PFOR, EG, US, IS

SUBJECT: PHOTOGRAPHIC MONITORING REPORT SUEZ DISENGAGEMENT AREA

-- ADVANCE COPY

REF: STATE 148198

COLONEL GRAHAM, ACTING DAO, IS MEETING WITH MARSHAL ISMAIL 1430
TODAY TO DELIVER ADVANCE COPY OF REFERENCE REPORT.

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COPY 8 OF 12 COPIES

WH 6 A

Department of State

TELEGRAM

SECRET

P 100745Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC PRIORITY 7642
BT
SECRET CAIRO 5000

CONTROL: 2 4 5 0 Q

Recd : 10, July

4:56 A.M.

NODIS/CHEROKEE

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: XGDS-4

TAGS: PFQR

SUBJECT: FAHMY'S TRAVELS TO US

1. FAHMY TELEPHONED ME FROM ALEXANDRIA LATE LAST NIGHT TO ASK THAT I PASS ON THE FOLLOWING. HE SPOKE RATHER CRYPTICALLY SINCE THE TELEPHONE LINE WAS INSECURE:

2. PURSUANT TO HIS CONVERSATION WITH YOU IN GERMANY, HE INFORMED PRESIDENT SADAT ABOUT WHAT YOU HAD TOLD HIM. THE PRESIDENT ASKS THAT YOU PROCEED WITH THE PREPARATION OF THE NEXT PHASE. THE PRESIDENT WOULD LIKE IT TO BE FINISHED COMPLETELY BEFORE SEPTEMBER. CONSEQUENTLY, IN RESPONSE TO YOUR INQUIRY, HE HAS AUTHORIZED FAHMY TO PROCEED TO WASHINGTON EARLY IN AUGUST. FAHMY IS READY TO COME WITH EGYPTIAN MEMBERS OF THE JOINT COMMISSION ON COOPERATION ON WHATEVER DATE YOU INDICATE. HE ASKED FOR INFORMATION ON DATE ASAP TO ALLOW HIM TO PLAN FOR TRIP.

3. FAHMY PROMISED TO FILL ME IN WHEN WE SEE EACH OTHER. HE IS APPARENTLY SCHEDULED TO REMAIN IN ALEXANDRIA TO PARTICIPATE IN TALKS WHICH BEGIN TODAY WITH THE AMIR OF QATAR AND WITH VISITING YUGOSLAV VICE PRESIDENT KARDELJ. HE IS ALSO SCHEDULED MEET WITH DANISH FOREIGN MINISTER THERE. SINCE HE MAY NOT GET BACK TO CAIRO BEFORE LEAVING FOR MOSCOW ON JULY 15, HE SUGGESTED I TAKE YOUR REPLY TO HIM THERE. I SAID I WOULD TRY TO DO SO, BUT WITH SECRETARY SIMON ON OUR DOORSTEP, IT MAY BE DIFFICULT TO GET AWAY.

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SECRET



271 20X 9
Department of State

SECRET

TELEGRAM

P 091105Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC PRIORITY 7622
BT
S E C R E T CAIRO 4972

2 1 3 6 Q
09 JUL 74 Z11 52

NODIS

FOR ACTING SECRETARY SISCO FROM AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR EG IS
SUBJ: ISRAELI REQUEST FOR RECOVERY OF
MISSING BODIES

REF: STATE 147100

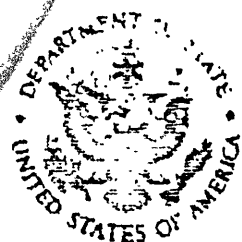
1. REFTTEL PUZZLES ME A BIT. BEFORE APPROACHING
EGYPTIANS, I WOULD APPRECIATE CLARIFICATION ON TWO
POINTS:

2. FIRST, ARE ISRAELIS NOW ASKING FOR A THIRD BODY
SEARCH OR IS RABIN'S QUERY A FOLLOW-UP ON THEIR EARLIER
REQUEST FOR A SECOND BODY SEARCH? IN RECALL THAT SUBJECT
WAS DISCUSSED DURING THE SECRETARY'S MEETING WITH
PRESIDENT SADAT ON APRIL 30 AND MAY 1, AT THE TIME
SADAT AGREED TO PERMIT A FURTHER SEARCH FOR STILL
MISSING ISRAELI BODIES CONDUCTED BY UNEF WITH A FEW
ISRAELI CHAMPLAINS ACCOMPANYING THE UN FORCES.
DESPITE FAHMY'S DEMURRAL AND SUGGESTION THAT MARSHAL
ISMAIL WOULD BE FURIOUS, PRESIDENT SADAT GAVE
INSTRUCTIONS TO FAHMY THAT THE MARSHAL SHOULD BE
TOLD THAT IT WAS HIS (SADAT'S) WISH TO PROCEED ON
THE ABOVE BASIS. DO WE KNOW WHETHER THE PRESIDENTIALLY
APPROVED BODY SEARCH HAS IN FACT TAKEN PLACE? IF
NOT, IT WOULD BE HELPFUL TO KNOW WHY NOT.
IF IT HAS TAKEN PLACE,
PLEASE LET ME KNOW WHAT THERE WAS ABOUT THE PREVIOUS
EFFORT THAT MADE IT INADEQUATE.

3. SECOND, WHY SHOULD SO SENSITIVE A MATTER BE TAKEN
UP WITH SIRRI? HE WAS NOT PRESENT AT AFOREMENTIONED

SECRET

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Department of State

TELEGRAM

SECRET

-2- CAIRO 4972, JUL 09, NODIS

MEETING WITH SADAT AND I AM NOT SURE THAT FAHMY EVER
TOLD SIRRI ABOUT IT. SIRRI WOULD NOT IN ANY CASE
ACT ON HIS OWN ON THIS ONW AND WULD CERTAINLY HAVE
TO GO TO FAHMY. MY SUGGESTION IS THAT THIS MATTER
SHOULD BE DISCUSSED WITH FAHMY. HOWEVER, THERE MAY BE
REASONS UNKNOWN TO ME WHY YOU PREFER SUBJECT TO
BE DISCUSSED WITH SIRRI. PLEASE ADVISE.
EILTS

SECRET

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Department of State
SECRET

TELEGRAM

COPY 9 OF 12 COPIES.

CONTROL: 1431Q

R 051447Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7579
BT
SECRET CAIRO 4888

NODIS/CHEROKEE

E.O. 11652: XGDS
TAGS: PINR
SUBJECT: RECONNAISSANCE OVER DISENGAGEMENT ZONE

1. DURING JULY FOURTH RECEPTION LAST NIGHT, FIELD MARSHAL ISMAIL MENTIONED TO BG GUAY THAT WE HAD CONDUCTED ANOTHER RECONNAISSANCE FLIGHT THE MORNING OF THE 4TH. HE CAUTIONED THAT IT WOULD BE PREFERABLE IF HE WERE MADE AWARE OF THE FLIGHTS TO AVOID ANY INCIDENTS.

2. DURING A SUBSEQUENT CONVERSATION WITH GENERAL GAMASY, BG GUAY LEARNED THAT ACCORDING TO EGYPTIANS THE FLIGHT BEGAN AT 1007 AND WAS TERMINATED AT 1043, JULY 4TH. IT ENTERED EGYPTIAN AIRSPACE, FLEW OVER PORT SAID TO THE GULF OF SUEZ, COVERING AN AREA BETWEEN 21-22 KM AND AT AN ESTIMATED SPEED OF 800 KM PER HOUR. GENERAL GAMASY STATED WHILE HE WAS NOT CONCERNED THAT HIS TROOPS WOULD FIRE ON OUR AIRCRAFT AND WAS NOT REQUESTING ADVANCE NOTIFICATION, HE DID FEEL THAT A TWO-HOUR NOTICE WOULD BE PRUDENT INSURANCE.

3. IN THE EVENT PRIOR NOTIFICATION POSES NO SERIOUS PROBLEMS, I SUGGEST IT WOULD BE USEFUL FOR DEFAIT/TO ADVISE THE EGYPTIANS OF A SCHEDULED OVERFLIGHT TWO HOURS BEFORE ITS INITIATION. SUCH ACTION WOULD DEMONSTRATE OUR REACTION TO THE FIELD MARSHAL'S STATEMENT, YET WOULD NOT PERMIT THE READJUSTMENT OF DEPLOYED EGYPTIAN FORCES.

EILTS

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7. H. 104 9
Department of State

SECRET

TELEGRAM

0 031150Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 7530 03 JUL 74 Z12 32
BT
SECRET CAIRO 4827

MODIS/CHEROKEE

FOR THE SECRETARY FROM THE AMBASSADOR

E.O. 11652: XGDS
TAGS: OVIP (KISSINGER, HENRY A.)
SUBJECT: MESSAGE TO SADAT ON MIDDLE EAST SECTION
US-SOV COMMUNIQUE

REF: MOSCOW 10427 (SECTO 127)

1. WITH FAHMY AND HIS CLOSE TEAM AWAY IN BONN AND
HARMAN ALSO AWAY, I DELIVERED YOUR LETTER TO PRESIDENT
SADAT'S CHEWUDE CABINET, HASSAN KAMEL, FOR TRANSMISSION
TO THE PRESIDENT. AS I HAD ARRANGED WITH FAHMY PRIOR
TO HIS DEPARTURE, IT WAS IN SEALED ENVELOPE ADDRESSED
TO THE PRESIDENT. KAMEL ASSURED ME IT WOULD BE
DELIVERED WITHIN THE HOUR.

2. KAMEL MENTIONED HE HAD JUST COME BACK LAST EVENING
WITH THE PRESIDENT FROM ROMANIA AND BULGARIA. HE
EXPRESSED PLEASURE ABOUT THE TRIP. SADAT HAD BEEN WELL
RECEIVED IN BOTH COUNTRIES. IN THE CASE OF ROMANIA,
EGYPTIANS BELIEVE SADAT SUCCEEDED IN BRINGING THE
ROMANIANS CLOSER TO THE ARAB POSITION. SPECIFICALLY,
ROMANIANS HAD BEEN PERSUADED TO ENDORSE PUBLICLY
IMPLEMENTATION OF UN RESOLUTION 242.

EILTS

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TELEGRAM

R 011510Z JUL 74
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 4801
BT
SECRET CAIRO 4749

CONTROL: 0107Q

RECD: 1 JULY 74

11:00 AM

NODIS/CHEROKEE

DEPARTMENT PASS SECRETARY

FOR SECRETARY FROM AMBASSADOR

E.O. 11652: XGDS
TAGS: PFOR EG US
SUBJECT: KHARTOUM TERRORISTS

REF: CAIRO 4711

1. THERE ARE INDICATIONS OF CONSIDERABLE GOE UNEASINESS ABOUT HOLDING THE KHARTOUM TERRORISTS AND A DESIRE QUIETLY TO GET RID OF THEM. GOE MAY HAVE BEEN ON VERGE OF DOING SO A FEW DAYS AGO. WE INFER THIS, THOUGH WITHOUT CONFIRMATION, FROM STORY TOLD EMBOFF BY MAURICE GUINDI, USUALLY WELL INFORMED UPI BUREAU CHIEF IN CAIRO. GUINDI SAID MININT OFFICIAL INFORMED HIM MORNING OF JUNE 29 THAT HE WOULD BE UNABLE TO REPLY TO QUESTIONS RE KHARTOUM TERRORISTS UNTIL PLO KHARTOUM OFFICE HEAD ABU KHAIR MADE STATEMENT ON CAIRO'S VOICE OF PALESTINE AT 1930 SAME DAY. AFTER THIS BROADCAST, MININT OFFICIAL WOULD BE OPEN TO ANY QUESTIONS UPI MIGHT WISH TO PUT FORWARD. IN FACT, VOP CARRIED NO STATEMENT FROM KHARTOUM AT 1930 OR LATER.

2. WE MAY BE SURMISING WRONGLY, BUT GUINDI'S STORY, COUPLED WITH MARWAN'S STATEMENT TO ME SAME DAY ABOUT TURNING KHARTOM TERRORISTS OVER TO LEBANON, MAKES US SUSPECT THAT GOE MAY AT THE TIME HAVE HAD IN MIND SOME SUCH IMMINENT ACTION. IF SO, WE SUSPECT FURTHER THAT IT RECONSIDERED FURTHER DOING SO AFTER MY COMMENTS TO MARWAN. WE SHALL HAVE TO BEAR IN MIND, HOWEVER, THAT GOE IS SQUIRMING ON THIS AND WILL DOUBTLESS CONTINUE TO LOOK FOR SOME WAY OUT.

SECRET

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Department of State

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TELEGRAM

-2- CAIRO 4749

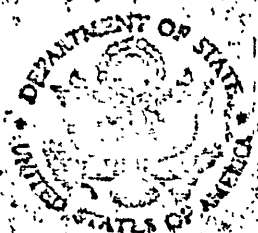
3. GUINDI, INCIDENTALLY, CLAIMS KHARTOUM TERRORISTS ARE IN A VILLA UNDER HOUSE ARREST AND NOT UNDER PRISON CONDITIONS AS MARWAN ALLEGED. WE ARE UNABLE TO CONFIRM THEIR EXACT WHEREABOUTS.

EILTS

NOTE: NOT PASSED SECRETARY BY OC/T.

SECRET

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Department of State

TELEGRAM

SECRET

O 081557Z AUG 74 ZFFA
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO NIACT IMMEDIATE 8481
BT
SECRET STATE 172874

1982Q

NODIS/CHEROKEE

E.O. 11652: GDS
TAGS: PEOR, EG, US
SUBJECT: MESSAGE TO PRESIDENT SADAT

FOR THE AMBASSADOR FROM THE SECRETARY

1. PLEASE DELIVER FOLLOWING MESSAGE FROM ME TO PRESIDENT SADAT IMMEDIATELY.
2. BEGIN MESSAGE:

DEAR MR. PRESIDENT:

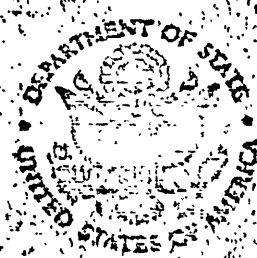
I WILL BE SEEING FOREIGN MINISTER FAHMY SHORTLY, BUT I WANTED TO KEEP YOU ABREAST OF MY CONSULTATIONS HERE.

IN THE TALKS WITH FOREIGN MINISTER ALLON AND PRIME MINISTER RIFAI I, OF COURSE, HAVE FORMED NO FINAL JUDGMENTS AND MADE NO COMMITMENTS AND WILL NOT DO SO UNTIL I HAVE TALKED WITH FOREIGN MINISTER FAHMY AND HEARD FURTHER FROM YOU. HOWEVER, YOU WILL WANT TO KNOW WHERE MATTERS STAND ON THE EVE OF YOUR FOREIGN MINISTER'S VISIT.

PRIME MINISTER RIFAI WAS HERE THESE LAST TWO DAYS AND WE DISCUSSED IN DETAIL THE CONSIDERATIONS INVOLVED IN NEGOTIATING AN ISRAEL-JORDAN DISENGAGEMENT AGREEMENT. RIFAI TOLD ME THAT YOU ARE WILLING TO SEE NEGOTIATING PROCEED BETWEEN JORDAN AND ISRAEL NEXT AND THAT EGYPT IS PREPARED TO WAIT FOR ITS NEXT ROUND OF NEGOTIATIONS AND FOR RECONVENING THE GENEVA CONFERENCE UNTIL AN ISRAEL-JORDAN NEGOTIATION IS COMPLETED.

IF THESE ARE CONSISTENT WITH THE VIEWS FOREIGN MINISTER FAHMY IS BRINGING, I THINK IT MAY BE POSSIBLE TO DEVISE A STRATEGY FOR SUCH NEGOTIATIONS. IF YOU WERE WILLING TO WAIT FOR A SECOND ROUND ON THE EGYPTIAN FRONT AND TO DELAY THE GENEVA CONFERENCE UNTIL JORDANIAN

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Department of State

SECRET

TELEGRAM

-2- STATE 172874, AUG 8, NODIS/CHEROKEE

DISENGAGEMENT IS COMPLETE, THEN WE WOULD HAVE TWO
IMPORTANT INDUCEMENTS TO ISRAEL TO BEGIN A NEGOTIATION
OF THIS KIND. COULD I HAVE YOUR VIEWS AS SOON AS
POSSIBLE?

I WILL, OF COURSE, LOOK FORWARD TO HEARING YOUR VIEWS
AND TO MY DETAILED TALKS WITH FOREIGN MINISTER FAHMY.

WARM PERSONAL REGARDS.

HENRY A. KISSINGER

END MESSAGE.

DRAFTED BY:

NEA:HMSAUNDERS/HLK

APPROVED BY:

THE SECRETARY

CLEARANCES:

S/S - MR. LUERS

NEA:ALATHERTON

NIXON PRESIDENTIAL MATERIALS PROJECT
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Department of State **TELEGRAM**

SECRET

CONTROL: 8 4 6 0 Q

Z 300122Z JUL 74 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO FLASH 8368
BT
S E C R E T STATE 164948

NODIS

E.O. 11652: GDS
TAGS: PFOR, EG, US
SUBJECT: MESSAGE TO FAHMY ON AID APPROPRIATION

FOR THE AMBASSADOR FROM THE SECRETARY

1. PLEASE CALL FAHMY AND TELL HIM THAT I HAVE CHECKED INTO THE ISSUE OF POSSIBLE CONGRESSIONAL REDUCTION OF THE AID APPROPRIATION FOR EGYPT ABOUT WHICH FAHMY HAD EXPRESSED CONCERN. SOME CONGRESSMEN HAVE PROPOSED REDUCING THIS APPROPRIATION, BUT THE LEGISLATION IS ONLY IN THE FIRST STAGES IN COMMITTEE IN THE HOUSE OF REPRESENTATIVES. OUR CLEAR IMPRESSION IS THAT OUR REQUEST FOR THE APPROPRIATION FOR EGYPT HAS BEEN GENERALLY WELL RECEIVED IN THE CONGRESS. THE AID BILL IS BEING DISCUSSED IN DETAIL IN COMMITTEE THIS WEEK, AND WE WILL HAVE A FURTHER OPPORTUNITY TO MAKE OUR STRONG SUPPORT KNOWN. I WANT TO ASSURE FAHMY EMPHATICALLY THAT THE ADMINISTRATION IS MAKING AND WILL CONTINUE TO MAKE EVERY EFFORT TO AVOID ANY MOVE TO CUT THE EGYPTIAN PORTION OF THE APPROPRIATION AND WILL CONTINUE TO DO EVERYTHING IT CAN TO PROVIDE THE FULL 250 MILLION DOLLARS WHICH THE PRESIDENT HAS REQUESTED. INGERSOLL

NEA:HNSAUNDERS:LAB
7/29/74 EXT. 29464
THE SECRETARY

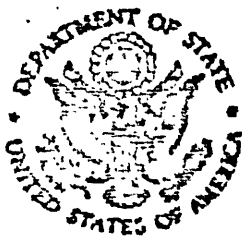
NEA:ALATHERTON, JR.

S/S - PPSARROS

WHITE HOUSE
SITUATION ROOM
74 JUL 30 AM 8:11

SECRET

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SECRET

Department of State

TELEGRAM

0 251425Z JUL 74 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO IMMEDIATE 8313
BT
SECRET STATE 161425

CONTROL: 7 2 3 5 Q
JULY 25, 1974
10:29 AM

MODIS/CHEROKEE

E.O. 11652: GDS
TAGS: PFOR, EG, US
SUBJECT: FAHMY'S VISIT TO WASHINGTON

REF: STATE 150578, CAIRO 5098 AND 5151

FOR AMBASSADOR FROM THE SECRETARY

PLEASE TELL FAHMY THAT, DUE TO SOME COMPLICATION IN
MY SCHEDULE, I WOULD LIKE TO RESCHEDULE MY TALKS WITH
HIM TO BEGIN MONDAY, AUGUST 12 RATHER THAN SATURDAY,
AUGUST 10 AS WE HAD PREVIOUSLY AGREED. I HOPE THIS
WILL BE EQUALLY SATISFACTORY TO HIM.

KISSINGER

NEALATHERTON, JR./HLK
7/25/74 EXT 29588
THE SECRETARY

S/S - MR. EALUM

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TELEGRAM

R 232349Z JUL 74 ZFF6
FM SECSTATE WASHDC
TO RUEHEG/AMEMBASSY CAIRO 8290
INFO RUQMAD/AMEMBASSY TEL AVIV 1333
BT
SECRET STATE 160118
KODIS

CONTROL: 6 6 3 3Q

E.O. 11652: GDS
TAGS: PFOR, EG, IS
SUBJECT: ISRAELI REQUEST FOR RECOVERY OF MISSING BODIES
REF: CAIRO 5415

1. ATHERTON PASSED ON TO ISRAELI MINISTER SHALEV JULY 23 SUBSTANCE OF PARA 4 OF REFTL, TOGETHER WITH AMBASSADOR EILTS' IMPRESSION THAT EGYPTIANS ARE VERY FIRM THAT BODY SEARCH AND RETURN OF PRISONERS ON EGYPTIAN LIST MUST BE HANDLED ON QUID PRO QUO BASIS. ATHERTON EMPHASIZED THAT WE WERE MAKING NO JUDGMENTS ABOUT EGYPTIAN CLAIM THAT A DEAL HAD IN FACT BEEN WORKED OUT BETWEEN EGYPTIAN AND ISRAELI REPRESENTATIVES; WE WERE SIMPLY CONVEYING EGYPTIAN RESPONSE TO ISRAELI GOVERNMENT. SHALEV UNDERTOOK TO REPORT THIS RESPONSE TO JERUSALEM.

2. FOR TEL AVIV. WE ARE REPEATING BACKGROUND ON THIS SUBJECT FOR YOUR INFORMATION. EMBASSY SHOULD TAKE NO ACTION ON THIS SUBJECT BUT YOU SHOULD HAVE BACKGROUND AVAILABLE IN EVENT ISRAELIS RAISE MATTER WITH YOU.

KISSINGER

NEA:ALATHERTON:BGG
7/23/74:EXT 29588
NEA:ALATHERTON

S/S - MR. GAMMON

S - MR. EAGLEBURGER

SECRET

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Department of State **TELEGRAM**
SECRET

0 230051Z JUL 74 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO IMMEDIATE 8273
BT
S E C R E T STATE 159037

NDDIS

E.O. 11652: GDS
TAGS: PINT, PFOR, EG, CY, US
SUBJECT: MESSAGE FROM SECRETARY TO SADAT RE CYPRUS
FOR AMBASSADOR FROM SECRETARY

1. PLEASE DELIVER IMMEDIATELY TO FAHMY FOLLOWING LETTER
FROM ME TO SADAT:

2. BEGIN MESSAGE:

DEAR MR. PRESIDENT:

KNOWING THAT YOU MUST BE DEEPLY CONCERNED ABOUT DEVELOP-
MENTS ON CYPRUS AND THEIR IMPLICATIONS FOR STABILITY IN THE
EASTERN MEDITERRANEAN, I WANT TO SHARE WITH YOU MY ASSESS-
MENT OF THE SITUATION AND THE THINKING BEHIND OUR POLICY
POSITIONS AND ACTIONS SINCE THE PRESENT CRISIS ERUPTED
UNEXPECTEDLY ON JULY 15.

OUR OVERRIDING OBJECTIVE HAS BEEN TO SEEK AN OUTCOME OF
THE CRISIS THAT WOULD NOT ALTER RELATIONSHIPS IN THE
EASTERN MEDITERRANEAN TO THE ADVANTAGE OF SOVIET POWER IN
THE AREA. TO THAT END, OUR IMMEDIATE CONCERN HAS BEEN TO
AVERT MILITARY HOSTILITIES BETWEEN GREECE AND TURKEY AND

TO KEEP OTHERS FROM TAKING POSITIONS THAT COULD CONTRIBUTE
TO THE OUTBREAK OF OR PROLONG CIVIL WAR ON CYPRUS.

TO GAIN TIME TO DEVELOP A SITUATION IN WHICH A NEGOTIATED
SETTLEMENT SUPPORTIVE OF OUR MAIN OBJECTIVE COULD BE
ACHIEVED, WE HAVE SOUGHT TO SLOW DOWN ACTIONS--BY
INDIVIDUAL COUNTRIES AND WITHIN THE UN--WHICH MIGHT
PRECIPITATE GRECO-TURKISH HOSTILITIES OR PROLONGED CIVIL
WAR. TO RETAIN THE POSSIBILITY OF INFLUENCING THE
ULTIMATE OUTCOME HAS REQUIRED US, AMONG OTHER THINGS, TO
AVOID PREMATURELY COMMITTING OURSELVES TO ANY SPECIFIC

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Department of State

TELEGRAM

SECRET

-2- STATE 159037 22 JUL '74

PRESCRIPTION FOR A RESOLUTION OF THE CRISIS. I WANT TO MAKE CLEAR, HOWEVER, THAT ALL OUR ACTIONS HAVE BEEN WITHIN THE CONTEXT OF OUR CONTINUING SUPPORT FOR THE INDEPENDENCE, TERRITORIAL INTEGRITY, AND CONSTITUTION OF CYPRUS.

AS PART OF OUR OVERALL EFFORT, I SENT JOE SISCO TO LONDON, ATHENS, AND ANKARA TO URGE RESTRAINT, PRESS FOR AN IMMEDIATE CEASEFIRE, AND REQUEST THOSE GOVERNMENTS TO UNDERTAKE NEGOTIATIONS AS GUARANTORS UNDER THE LONDON-ZURICH AGREEMENTS. IN ADDITION, I HAVE PERSONALLY BEEN IN DIRECT TOUCH WITH THE LEADERS OF THE GOVERNMENTS CONCERNED AND AM MEETING TODAY WITH ARCHBISHOP MAKARIOS IN WASHINGTON. WE HAVE ALSO BEEN WORKING CLOSELY WITH ALL OF OUR EUROPEAN FRIENDS, WHO HAVE FULLY SUPPORTED OUR EFFORTS.

OUR ATTEMPT TO FORESTALL A MILITARY MOVE BY TURKEY UNFORTUNATELY DID NOT SUCCEED. YESTERDAY, HOWEVER, WE MADE A PROPOSAL WHICH BROUGHT AGREEMENT ON THE ESTABLISHMENT OF A CEASEFIRE. I AM HOPEFUL THAT THE CEASEFIRE WILL BE EFFECTIVE SO THAT THE PARTIES CAN BEGIN NEGOTIATIONS IN A CALMER ATMOSPHERE LEADING TO THE RESTORATION OF PEACE AND CONSTITUTIONAL ORDER ON CYPRUS AND TO AN EASING OF TENSIONS BETWEEN GREECE AND TURKEY. WE HAVE URGED THE PARTIES TO ACCEPT THE BRITISH INVITATION TO BEGIN TALKS AS SOON AS POSSIBLE.

TO ACHIEVE THE OBJECTIVES WE HAVE SET FOR OURSELVES, WHICH I AM CERTAIN YOU SHARE, I HAVE SOME IDEAS REGARDING POSSIBLE SOLUTIONS WHICH I SHALL CONVEY TO THE PARTIES AT THE APPROPRIATE TIME. MEANWHILE, MR. PRESIDENT, I WOULD WELCOME ANY VIEWS YOU MAY WISH TO CONVEY TO ME

ABOUT HOW A RETURN TO STABILITY IN THE EASTERN MEDITERRANEAN CAN BE ACHIEVED.

WARM PERSONAL REGARDS,

HENRY A. KISSINGER

END MESSAGE.

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Department of State

TELEGRAM

SECRET

-3- STATE 159037 22 JUL '74

3. IN CONVEYING THE FOREGOING, YOU SHOULD TELL FAHMY THAT I HAVE ASKED YOU TO REAFFIRM MOST EMPHATICALLY WHAT YOU SAID TO HIM AS REPORTED CAIRO 5420: THE US GOVERNMENT HAD NO PART IN OR PRIOR KNOWLEDGE OF THE COUP AGAINST MAKARIOS WHICH CAUGHT US, AS IT DID MAKARIOS, BY SURPRISE, AND WE MADE STRENUOUS EFFORTS TO PREVENT THE TURKS FROM LANDING MILITARY FORCES ON CYPRUS. KISSINGER
BT
#9037

DRAFTED BY: CWG: MBHIRSHORN/NEA: ALATHERTON, JR.
APPROVED BY: THE SECRETARY

CLEARANCES: EUR: AHARTMAN S/S: MEALUM

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TELEGRAM

SECRET

P 120138Z JUL 74 ZFF4
FM SECSTATE WASHDC
TO ANEMBASSY CAIRO PRIORITY 8295
BT
SECRET STATE 152578

CONTROL: 3164Q

RECD: 11 JUL 74 9:45

MODIS/CHEROKEE

E.O. 11652: XGDS-4
TAGS: PFOR, EG, US
SUBJECT: FARMY'S TRAVELS TO THE UNITED STATES

REF: CAIRO 5000

FOR AMBASSADOR FROM THE SECRETARY

1. PLEASE INFORM FARMY, IN RESPONSE TO HIS MESSAGE (REFTEL), THAT I AM IN THE PROCESS OF SEEKING TO FIRM UP SCHEDULE FOR THE BILATERAL CONSULTATIONS THIS SUMMER WHICH WE HAVE AGREED ARE NECESSARY TO PREPARE THE WAY FOR THE NEXT STAGE. THE FIRST STEP WILL BE MY TALKS WITH ALLON, AND WE HAVE NOW WORKED OUT WITH THE ISRAELIS THAT ALLON SHOULD COME FOR TALKS BEGINNING ON MONDAY, JUL 29. SINCE I AM COMMITTED TO MEET IMMEDIATELY THEREAFTER WITH PRIME MINISTER RIFAI, I WOULD SUGGESTED THAT FARMY PLAN TO COME ABOUT AUGUST 10. IN ADDITION TO DISCUSSING STRATEGY FOR THE NEXT STAGE, I AGREE THAT IT WOULD ALSO BE USEFUL FOR HIM TO BRING EGYPTIAN MEMBERS OF THE JOINT COMMISSION ON COOPERATION FOR THE MEETING OF THE COMMISSION WHICH WE HAVE AGREED SHOULD TAKE PLACE DURING HIS VISIT.

2. PLEASE ASK FARMY TO ASSURE PRESIDENT SADAT THAT I AM PROCEEDING WITH THE PREPARATION OF THE NEXT PHASE AS HE HAS ASKED. IN THIS CONNECTION, I ASSUME THAT WHEN HE SAYS HE WOULD LIKE IT TO BE FINISHED COMPLETELY BEFORE SEPTEMBER, HE HAS IN MIND THAT WE SHOULD HAVE A FULLY DEVELOPED STRATEGY BY THAT TIME. I BELIEVE THIS SHOULD BE POSSIBLE. HE WILL, OF COURSE, UNDERSTAND THAT IT WOULD BE IMPOSSIBLE TO ACHIEVE A SOLUTION BY THEN, FOR REASONS WHICH I HAVE EXPLAINED IN OUR MANY DISCUSSIONS OF THE STRATEGY FOR MOVING TOWARD A SETTLEMENT.

SECRET

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Department of State
SECRET

TELEGRAM

PAGE 2 STATE 150570, JUL 12

3. FINALLY, PLEASE ALSO TELL FAHMY THAT I AM COMMUNICATING WITH PRESIDENT ASAD TO SUGGEST THAT HIS REPRESENTATIVE COME TO WASHINGTON LATER IN AUGUST, FOLLOWING FAHMY'S VISIT. I WILL LOOK FORWARD TO HEARING FROM FAHMY WITH REGARD TO THE SCHEDULE OUTLINED IN THIS MESSAGE.

KISSINGER

NEA:ALATHERTON, JR./HLK
7/11/74 EXT 29588
THE SECRETARY

S/S :DUMILLER

SECRET

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Department of State

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P 101812Z JUL 75 ZFFH
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO PRIORITY 8076
BT
SECRET STATE 140338

2577Q

NOOIS

E.O. 11652: CDS
TAGS: PFOR, EG, IS
SUBJECT: ISRAELI REQUEST FOR RECOVERY OF MISSING BODIES

REF: (A) STATE 147100; (B) CAIRO 4972

FOR AMBASSADOR FROM SISCO

1. WITH REGARD TO YOUR QUESTION PARA 2 REF B THE ISRAELIS HAVE EXPLAINED TO US THAT THEY ARE SEEKING A CONTINUATION OF THE SECOND SEARCH FOR MISSING BODIES WHICH THEY CONSIDER WAS UNSUCCESSFUL FOR THE REASONS OUTLINED REF A. THEY BELIEVE 77 BODIES ARE STILL MISSING AND THERE ARE SPECIFIC LOCATIONS WHICH THEY CAN PROVIDE TO THE EGYPTIANS WHERE THEY BELIEVE SOME OF THESE BODIES MAY BE FOUND. IN ADDITION, THEY BELIEVE FULL EGYPTIAN COOPERATION ON THE MANNER IN WHICH THE SEARCHES ARE CARRIED OUT IS NECESSARY TO COMPLETE A THOROUGH SEARCH. THESE MEASURES ARE ALSO OUTLINED IN REF A. THEY SAY THEY DO NOT DOUBT SADAT GAVE INSTRUCTIONS TO COOPERATE FOLLOWING SECRETARY'S APPROACH APRIL 30-MAY 1, BUT SUGGESTED THAT THESE INSTRUCTIONS WERE NOT CARRIED OUT IN FULL BY PEOPLE DOWN THE LINE ON EGYPTIAN SIDE.

2. WHEN REF A WAS DRAFTED FAHMY WAS OUT OF THE COUNTRY, AND IN ADDITION WE WISHED TO HANDLE MATTER IN LOW-KEY FASHION. HOWEVER, NOW THAT HE IS BACK I AGREE THAT YOU SHOULD DISCUSS THE PROBLEM WITH HIM. HOWEVER, KEEP IT IN LOW KEY, SINCE FAHMY, AS YOU WELL KNOW, GETS IMPATIENT WHEN THIS MATTER COMES UP. I WOULD EXPLORE THIS JUST AS "A POSSIBILITY" WITH HIM, BUT YOU KNOW HOW TO HANDLE HIM SO YOU NEED NO SUGGESTIONS FROM ME. KISSINGER

DRAFTED BY: NEA/EGY:HFMATTHEWS/HLK

APPROVED BY: P - JOSEPH J.

CLEARANCES: NEA - MR. ATHERTON S/S - MR. EALUM

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Department of State **TELEGRAM**

ZNY SSSSS ZZH
P 090020Z JUL 74 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO PRIORITY 8058
BT
S E C R E T STATE 147100

CONTROL: 2064Q

NODIS

E.O. 11652: GDS
TAGS: PFDR, EG, IS
SUBJECT: ISRAEL REQUEST FOR RECOVERY OF MISSING BODIES

FOR THE AMBASSADOR FROM THE ACTING SECRETARY

1. PLEASE RAISE

THIS SUBJECT IN LOW KEY WITH SIRRI ON BASIS OF FOLLOW-
ING BACKGROUND: BEFORE THE PRESIDENT'S TRIP TO CAIRO
SECRETARY KISSINGER RECEIVED A PERSONAL APPEAL FROM PRIME
MINISTER RABIN TO RAISE WITH PRESIDENT SADAT DURING THE
VISIT THE DIFFICULT SUBJECT OF THE SEARCH FOR MISSING BODIES
OF ISRAELI SOLDIERS IN EGYPT. THE SECRETARY DID NOT HAVE AN
OPPORTUNITY TO RAISE THIS QUESTION DURING VISIT TO EGYPT AND
ISRAELIS HAVE SUBSEQUENTLY RENEWED THEIR DESIRE FOR OUR
INTERVENTION IN MEETINGS WITH ME AND WITH ASSISTANT SECRE-
TARY ATHERTON. THE ISRAELIS BELIEVE THAT PRESIDENT SADAT'S
INTERVENTION AND FIRM INSTRUCTIONS TO SUBORDINATES ARE
NEEDED TO SECURE NECESSARY EGYPTIAN COOPERATION AT WORKING
LEVEL. PRIME MINISTER RABIN EXPRESSED HIS GRATITUDE FOR
PREVIOUS EFFORTS TO LOCATE THE BODIES BUT IT IS ISRAELI
BELIEF THAT THE PREVIOUS SEARCH WAS TOO SHORT, THAT THE USE
OF HEAVY EQUIPMENT TO UNCOVER BODIES IN THE RUBBLE WAS NOT
PERMITTED AND THAT THEY WERE UNABLE TO ESTABLISH CONTACT
WITH EGYPTIAN OFFICERS WHO HAD BEEN PRESENT AT THE BURIAL
OF ISRAELI SOLDIERS. THE ISRAELIS ALSO ASK THAT THEY BE
PERMITTED TO SEARCH IN ALL THE PLACES ON THE LIST THEY GAVE
GENERAL MAGDOUB AND COLONEL AYUB WHERE THEY BELIEVE MISSING

ISRAELI BODIES MAY BE FOUND. THEY HAVE ALSO REQUESTED
EGYPTIAN PERMISSION TO USE HEAVY EQUIPMENT SUCH AS CRANES,
TRACTORS, AND BULLDOZERS WHICH COULD BE LOANED TO UNEF PER-
SONNEL WHO WOULD THEN OPERATE THE EQUIPMENT AS DIRECTED BY
EGYPTIAN PERSONNEL AND ISRAELI REPRESENTATIVES. FINALLY,
PRIME MINISTER RABIN IS CONCERNED THAT THE BODIES OF SOME
ISRAELI SOLDIERS HAVE BEEN MOVED TO DIFFERENT BURIAL

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PLACES AND ASKS THAT ISRAEL BE GIVEN INFORMATION AS TO THESE LOCATIONS SO THAT THE BODIES MAY BE RETURNED. THE ISRAELI PRIME MINISTER POINTS OUT THAT ISRAEL DOES NOT RESTRICT EGYPTIAN SEARCHES FOR BODIES OF THEIR SOLDIERS AND THAT RECENTLY 63 BODIES OF EGYPTIAN SOLDIERS WERE RETURNED. HE ALSO POINTS TO THE RETURN OF 61 EGYPTIAN DETAINEES AS EVIDENCE OF THE SPIRIT OF THEIR COOPERATION.

2. FYI: THEY HAVE PROVIDED US AND PRESUMABLY HAVE OR CAN PROVIDE TO EGYPTIANS SPECIFIC MAP LOCATIONS WHERE THEY WOULD WISH TO UNDERTAKE ADDITIONAL SEARCHES.

3. IN MEETINGS WITH ATHERTON, JULY 5, ISRAELI MINISTER SAID THAT EGYPTIANS HAVE ASKED FOR RETURN OF 193 INDIVIDUALS WHICH INCLUDES PEOPLE WHOM ISRAEL CONSIDERS MURDERERS, SPIES, ETC. THUS FAR ISRAELIS HAVE REPATRIATED 61 OF THESE PEOPLE AND HAVE IMPRESSION THAT EGYPTIANS ARE ATTEMPTING TO CONNECT THE RETURN OF THESE LIVE EGYPTIANS WITH THE RETURN OF DEAD ISRAELIS. ISRAELIS DO NOT WANT TO MAKE SUCH CONNECTION, BUT SHALEV DID GET ACROSS THAT EGYPTIAN FORTHCOMINGNESS IN BODY SEARCH WOULD IMPROVE ATMOSPHERE IN WHICH ISRAEL CONSIDERS EGYPTIAN REQUESTS. OF THE REMAINING PEOPLE ON EGYPTIAN LIST, 16 IN FACT DO NOT WISH TO GO BACK TO EGYPT.

4. IN YOUR APPROACH TO SIRRI YOU SHOULD DRAW ON PREVIOUS MESSAGES AND COMMUNICATIONS ON THE SUBJECT TO THE EFFECT THAT EGYPTIAN COOPERATION IN THIS MATTER WILL SERVE OUR MUTUAL INTEREST OF ADVANCING PEACE IN THE MIDDLE EAST AND REDUCE TENSIONS IN THE AREA. END FYI.

5. PLEASE NOTIFY ME OF SIRRI'S REACTION. SISCO

NEA/EGY:HFMATTHEWS:CEK
7/5/74: EXT: 22365
THE ACTING SECRETARY BY A RAPHEL

NEA - MR ATHERTON

S/S - MR. LUERS

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C O N F I D E N T I A L STATE 144021
NODIS

E.O. 1 : GDS
TAGS: PFOR, US, UR
SUBJECT: TIMING OF GENEVA CONFERENCE

REF: CAIRO 4706

1. IF YOU RECEIVE PRESS QUERIES ABOUT RECONVENING OF GENEVA CONFERENCE, YOU SHOULD SAY THAT SUCH QUERIES SHOULD BE DIRECTED TO WASHINGTON.
2. FYI: YOU WILL HAVE SEEN U.S.-SOVIET SUMMIT COMMUNIQUE LANGUAGE ON MIDDLE EAST. FOR YOUR OWN INFORMATION, WE INTERPRET REFERENCE TO CONVENING GENEVA CONFERENCE AS SOON AS POSSIBLE TO MEAN SEPTEMBER, AND SOVIETS SEEM TO GO ALONG WITH THIS. END FYI. SISCO

DRAFTED: ALATHERTON
APPROVED: ACTING SECRETARY
CLEARED: MR. MATTHEWS

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